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NEWS SUMMARY

GENERAL

Portugal Cabinet 'may go soon'

The prospects of Portugal's fifth provisional government lasting very much longer weakened considerably last night.

Despite the swearing-in of Ministers, the pro-Communist Premier Vasco Gonçalves appeared under increasing pressure to quit. Even President Costa Gomes predicted that the regime would fall within days. Opposition to the government has spread, often violently, and a new element was added when the Communists joined a Lisbon demonstration in favour of Copenssecurity chief Otelo Carvalho's recently-announced plan for the county. Back page

BUSINESS

Wall St. loses 15 to fall below 800

● EQUITIES, unsettled by the overnight setback on Wall Street, encountered some profit taking. The FT 30-share index closed 2.3 down at 300.7.

● GLTTS continued to be overshadowed by U.S. worries, but losses were limited to 1. and the Government Securities index lost 0.24 to 60.60.

● THE POUND improved to close at \$2.1210 against the dollar. Its average depreciation was 27.5 per cent. (27.7) and the dollar was 2.63 per cent. (2.64).

● GOLD was \$11 up at \$163.1.

● WALL STREET dropped below the 800 mark for the first time since April 11. It closed

Ulster talks held up

Inter-party talks on a new form of government for Ulster ran into unexpected difficulties yesterday, but fears of a deadlock were discounted. A joint communiqué said the talks would be resumed next week instead of today, to give both sides more time to examine their positions.

Both sides had come under some criticism from their respective hard-liners during the day. Back page

No more 'stunts'

There will be no more publicity stunts like that of the Londoners' Test pitch sabotage, Mr. Peter Chappell, organiser of the George Davis protest campaign, said yesterday. He had refused to answer police questions on the incident but there is a threat that if one of the group is arrested, 100 people will surrender themselves to police.

Airliner crash

A Russian-built Czech Ilyushin 62 airliner crashed in the desert, 62 airman yesterday, killing 128 of the 128 people aboard. The aircraft came down during its landing approach on a flight from Prague.

Blaze kills three

A young nurse, Miss Neulab Woods, 29, died in south-east London yesterday while trying to save two patients aged 50 and 91 from a fire in a private old folks' home. Seven other people were taken to hospital.

The Big Sleep

Through bellowing loudhailers, booming foghorns and the attentions of warships and helicopters, the lone, unidentified yachtsman slept on as his vessel drifted through the busy shipping lanes of the English Channel. Eventually, a lorry lorryman woke him and he continued his voyage to Sweden from the West Indies.

Soccer fines

Fines totalling £686 were imposed on 19 fans by Birmingham magistrates after incidents at Tuesday's Birmingham-Manchester United game.

People and places

Israel said its forces killed three Arab guerrillas who crossed from Lebanon yesterday in an attack which coincided with Dr. Rabin's new Middle East shuttle. Middle East. Back page

South Africa has been banned from the World Water Ski Championships at Egham, Surrey, next month.

Nottingham Forest Football Club manager Brian Clough was banned from driving for three months and fined £50 after speeding on the M1.

Special booklets in Chinese and Pinyin as well as English have been circulated in a bid to reduce hygiene risks in Derby restaurants and foodshops.

American halloween Bob Sparks was due to lift off from Cape Canaveral in a new attempt to end last night in a new attempt to end a transatlantic flight which could take five days.

Pay policy campaign gets under way with boost from earnings figures

Rise in earnings running below level of inflation

BY MICHAEL BLANDEN

The pressure of wage rises slackened a little in July, according to the latest figures from the Department of Employment, while the deepening economic recession is having a marked impact in cutting the level of earnings.

In July, the last month before the Government's 56 a week pay limit took effect, the average level of manual workers' weekly wage rates rose by just over 1 per cent. The index (July 31, 1972=100) increased from a revised figure of 181.1 in June to 183.0. This took it to a level 31.5 per cent higher than a year earlier.

At this rate, basic weekly wages were still running well ahead of the level of price inflation, with the cost of living index published last week showing an increase of 28.3 per cent over the year to mid-July. But the rise in wages has shown a steady decline from the 33.5 per cent jump recorded in the 12 months to May.

The increase also shows a significant fall from the recent trend. Taking account of the exceptional factors which distorted comparisons in the earlier part of the year—including the three-day week in 1974 and an overtime ban in engineering in April last year—it is reckoned that over the previous six months or so average earnings had been running some 28 per cent higher than a year before.

The drop in the underlying trend so far seems to be a reflection of the worsening

Murray aims at full £6 for all

BY RICHARD EVANS, LOBBY CORRESPONDENT

TUC general secretary Mr. Len Murray yesterday condemned the Government's claim that employers need not pay the full £6 rise allowed.

"Stressing that unions should seek £6 from employers, he added, "The word seek implies get."

This clashes sharply with Government advertisements describing the figure as a maximum—and not an automatic rise for everyone—and is the first sign of cracks in the carefully constructed Government-TUC accord.

At the idea that employers could, with Government backing, offer less than £6, Mr. Murray declared: "I hope employers will not try to go that road. I hope unions will press for £6 universal, flat."

Resist the militants, says Wilson

BY RICHARD EVANS, LOBBY CORRESPONDENT

A DRAMATIC appeal to the nation to fight any attempts by trade union militants to wreck the Government's counter-inflation policy was made by Mr. Harold Wilson in a national television broadcast last night.

The Prime Minister, launching the massive Government campaign to persuade the country to accept the 28 a week limit on wage increases in the coming year, called on all sections of the community to "get involved" in the attack on inflation.

In an attempt to counter the influence of militants, Mr. Wilson declared: "Make your voice heard. Don't let minorities take decisions for you in your absence. Stand up to any who seek to cash in on the difficulties every family, every industry, every factory will face. Don't let them talk you out of it."

Yard heads for confrontation

Continued on Back Page

Corrective

The latest wage and earnings figures indicate that, before the Government's moves, the pressure of wage costs was bringing its own corrective action in the form of increased unemployment and reduced earnings.

If the Government's policy is to succeed, the increase in earnings, which include the higher-paid white-collar earners as well

Muscle

His call to moderates to stand up to militants, together with a reference to the misuse of "industrial muscle" is certain to upset those trade union leaders and Labour Party activists who are totally opposed to the £6 limit because they regard it as a threat to the whole concept of free collective bargaining.

Mr. Wilson, who regarded the ten-minute broadcast as one of the most important of his political career, made no attempt to minimise the dangers of the situation for Britain if the Government's policy to cut inflation to single figures next year did not succeed.

He painted a picture of economic stringency and falling living standards for many in the coming year, but looked ahead with optimism to the end of the '70s when "the sacrifices we make now can lead to a new era for our people."

His sombre message was that the battle against inflation could not be won in a single year, and would entail rough but necessary justice.

"This year justice will be rough, but justice will be there, nonetheless. It is the Government's duty to ensure that, however rough the going, there will be justice. If we failed now, the going would become increasingly rough, with precious little justice left to share out."

The Prime Minister went out of his way to warn militant trade unionists of the dangers the country would face if they sought to overturn the Government's policy.

"There may be those who, by the use of their own industrial muscle, feel that they could improve. For very many they will fail. This harsh truth must not be disguised."

Mr. Wilson's broadcast, made in London after he had interrupted his holiday in the Scillies, was timed to coincide with the publicity campaign for the counter-inflation policy in yesterday morning's newspapers. The Prime Minister was returning to the Scillies overnight.

The Conservative response to the broadcast will be made tonight by Mr. William Whitely, the deputy leader. Mrs. Margaret Thatcher is not expected to return prematurely from her holiday in France.

While the Conservatives are likely to give broad support to Mr. Wilson's counter-inflation policy, Mr. Whitely is expected to call for further cuts in public expenditure and for the Government to drop its nationalisation proposals.

A Conservative backbencher, Mr. Michael Brotherton, MP for Luton, protested yesterday at the advertisements in the morning newspapers, claiming there had been a deliberate attempt to mislead the public into thinking that by some magical means their Socialist masters are helping to keep down the price of food. He was referring to the advertisement to the Advertising Standards Authority.

Leyland faces strike over claim defying limit

BY ROY ROGERS, LABOUR CORRESPONDENT

WORKERS AT British Leyland's Lancashire truck and bus plants declared yesterday to challenge the Government's pay policy by applying sanctions and threats of industrial action. The union's decision to re-negotiate the deal at the suggestion of the Department of Employment.

The majority of Leyland truck and bus workers are members of the Amalgamated Union of Engineering Workers which will spearhead the opposition to the Government's pay policy at the TUC annual congress in two weeks' time.

Mr. Len Brindley, AUEW works convenor, told one of the meetings yesterday: "It is a fundamental issue of principle that your representatives signed an agreement when there was not one dot of legislation to prevent it, only to have it thrown back in their faces."

He claimed that part of the agreement relating to rationalisation of pay scales—which have been reduced from 170 or so

Inflation may fall to 10%—CBI

If the Government's policy is successful, the rate of inflation in the U.K. will be down to 10 per cent by the third quarter of 1976, according to forecasts prepared by the Confederation of British Industry.

The rate of wage inflation is expected to be at 11 per cent, compared with the CBI's earlier forecast of 25 per cent, made before the Government spelled out its measures.

The Confederation estimates that unemployment (excluding Northern Ireland and full-time students) will reach 1.25m, by the third quarter of 1976.

Management is well aware that if it defied the policy the Government could prevent any of the costs of the agreement being passed on by way of increased prices. Such a breach could also jeopardise the flow of State finance due under Lord Ryder's proposals for rescuing the company.

Output of Guy trucks to be ended. Page 9

Weir wins £30m. Qatar order for desalination plants

BY CHRIS SAUR, SCOTTISH CORRESPONDENT

AN ORDER worth more than £30m. for four sea-water desalination plants has been won by Weir-Westgarth from the Middle East State of Qatar.

It is the largest contract for desalination plant placed in Britain, and among the three largest so far undertaken anywhere in the world. Last year the Glasgow-based company, with its French and Italian affiliates, secured seven contracts worth about £10m.

The Qatar order, obtained against French, Japanese and Italian competition, is for plants each with a capacity of 5m. gallons (and a guaranteed output of 4m. gallons) in daily production of pure water for drinking and industrial use.

It is the first of a batch of contracts, worth in all about £90m., for which Weir-Westgarth is bidding, all of them for the Middle East.

The plants will be built at the Ras Abu Fontus electricity generating station and will use the multiple-flash distillation process developed by the Weir group. They will use steam raised by waste-heat boilers from the power station's gas turbine exhausts.

Viscount Weir, Chairman of the Weir group, said the contract confirms Britain's continued leadership in desalination technology that our company pioneered. But he regretted that part of the equipment for the plants, worth "several million pounds," would have to be purchased abroad. Some British suppliers had been prevented by wage inflation and adverse industrial conditions from quoting competitively, he said.

The company regards the order as the clearest signal yet of a reviving market for desalination plants, notably in the Middle East, where it thinks that the industrialisation programmes of

oil-producing states may stimulate a demand for fresh water equipment amounting to some £1.5bn. in the next five years.

The Qatar contract, to be completed in 133 weeks, will be financed largely out of progress payments made by the Qatar Government, thus diminishing any strain that there might otherwise have been on Weir's working capital. Consultants to the project are Ewbank and Partners of Brighton.

There is also a suggestion that on this occasion the company has enjoyed more positive diplomatic and other assistance from the British Government than has sometimes appeared to be the case in the past. Viscount Weir made a point of referring to the "valuable help" received from the Department of Trade and the British Embassy in Qatar.

Mid-East could spend up to £1.5bn.—Page 4

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES	FALLS
Abercom	330 + 8
Allen Harvey and Ross	310 + 10
Brotherhood (Peter)	57 + 4
East Ryder	22 + 3
Jay (Richard)	28 + 3
Dawson (James)	42 + 4
Felixstone Dock	74 + 5
Gillette Bros.	154 + 8
LCP	33 + 7
Sunley (Bernard)	132 + 7
Tube Inv.	272 + 14
Kilim	29 + 21
De Beers Deft.	305 + 7
Palabora	930 + 30
Treasury 3% 1977	288 - 1
Treasury 13 1/2% 1987	284 - 1
Advent	95 - 4
Acme Sprayers	15 - 3
Bahcock and Wilcox	85 - 3
Bats	268 - 7
Brit Home Stores	289 - 6
Broken Hill Prop.	670 - 30
Central Manuf.	54 - 11
Churchbury Estates	125 - 7
Courtaulds	115 - 4
Fisons	356 - 5
Furness Withy	213 - 7
Glaxo	338 - 5
Lloyds Bank	103 - 5
Lyons (J.) A	137 - 5
BP	50 - 5
Royal Elton	156 - 6
Shell Transport	503 - 12
Gold Mines of	318 - 8
Nalcor	95 - 20
Peto-Walsend	305 - 10
Pvt. Plat.	320 - 8
Selection Trust	505 - 10
Tanganyika Cons.	180 - 4
Thames Hlths.	225 - 3

LOMBARD

A game of blind man's bluff

BY ANTHONY HARRIS

"FANSHAW, there's a piece in the paper here about some stock-brokers called Greenwells who say that the latest Consolidated Fund figures show that there's been blatant overspending. Anything we can say about that?"

"Must be nonsense, Figgins. After all, we don't know what the figures mean, so how can anyone else?"

All right, it's a caricature; but the sad thing is that there's a disturbing grain of truth in it. Any company is run basically on management accounts, which look at sales, purchases, activity, stock levels and the like. The fact that your suppliers Higgs and Company have taken to demanding cash on the day of delivery, while your customers Biggs are slow payers is normally a problem for the Treasurer.

Credit control is one problem, company policy another, and managers know the difference.

Public affairs are run differently — as is to some extent inevitable. Public expenditure is actually carried out by such a multitude of people and for so many different reasons that it is in principle very hard to know what is going on at any particular moment.

Some, like the Army Pay Corps, may know very precisely what calls they are likely to make on central Government; others, like the management of the Post Office, get their sums wildly wrong. Some pay their bills promptly, others sluggishly. The Treasury in its role of manager is therefore rather short of information.

Basically, there is an expenditure budget, drawn up in volume terms, and nearly a year ago, whose financial meaning is in any case a little impenetrable, and a full set of bank statements. The rest is interpretative ingenuity, spread rather thin.

The Treasury accountants, bless their hearts, pride themselves on the fact that whatever may be happening to expenditure in general, their own department is very economically managed.

This month's much-discussed figures might have been drawn up to illustrate the whole point. The main point which Greenwells underlined — and for which they deserve all credit — is the importance of the so-called "contingency fund," a figure which pops up about three times a year — notably in July. This is one of those oddities of the British Constitution, like Black Rod or a full-bottomed wig, designed to preserve our traditional

illusions — the illusion, in this case, that expenditure is controlled by Parliament. In April Parliament passed a Vote on Account to finance public expenditure for the first four months of the year, and for accounting purposes expenditure cannot exceed this sum, even if actual spending overruns. Overspending is met, in cash terms, from the Contingency Fund, and is only subsequently recognised as mainline expenditure when Parliament has authorised the payments in the Supplementary Estimate. (I would love to know who would pay if Parliament turned the supplementary down.)

So far, so good. In the first four months of this financial year, recognised expenditure reached £9,599m., compared with £7,000m. a year earlier; the overspend was £2,599m., compared with £959m. and thus the rise in the total Expenditure to £10,558m. was a matter of 45 per cent. But this is simply a bank balance figure: what about trends?

Factors

Greenwells draw attention to the fact that one odd item turned up last year and not this — a loan of £250m. to the building societies which was misclassified as "expenditure" (and has since reappeared as revenue). Allow for this, and the "real" growth is 50 per cent., and yay boo. However, it can play at special factors. It so happens, for example, that this year's civil service pay settlement went through rather smoothly (civil servants can't go on strike) and the effect at least as well as the next man, so the backdated increase was paid much earlier this year than last. How much money is involved? Nobody knows, but really they don't, because there is no central civil service pay office. If special factors are the annihilation of these arguments, an unknown is something of a clincher. You see, you can't discover the trend. Collapse, also, of British economy? No-one can say. Really, it would be more comforting to know that someone did have an accurate and up-to-date idea of the trend. Is it possible that, so far as expenditure accounting is concerned, economy has been carried a little too far?

RACING BY DOMINIC WIGAN

Galway Bay again

LESTER PIGGOTT, who has rarely looked so pleased as when steering Dahlia into the winner's enclosure after their triumph in the Tuesday Benson and Hedges Gold Cup, can land another major York prize, the Crawford and Gilbey-sponsored Gimcrack Stakes (3.40), with *Galway Bay* this afternoon.

Piggott has ridden 63 winners on this, his favourite course, in the past five years — nearly twice as many as any other jockey. He will be bidding for a second successive Gimcrack following victory last year on a Street Heart. *Galway Bay* has a favourable chance of giving him the double.

Mr. Jim Mullion's attractive half-brother by Sassafras to Sailing Ship first stumped himself as a high-class juvenile when running on gamely to beat the subsequent July Stakes winner, Super Cavalier, in the Coventry Stakes at Royal Ascot.

There, the well-made Kingsclere bay made rapid headway to take up the running inside the final furlong, and stretching out well, he went clear to put two lengths between himself and the runner-up, who beat Tampa by a head for second place.

On his only appearance since the Coventry Stakes, *Galway Bay* was not hard pressed to outpace Anemos (bidding for his

fourth consecutive victory) in Ascot's Hyperion Stakes.

Mr. Mullion's colt, a progressive sort, capable of a lot of further improvement, appears to have no more to be here than in his two Ascot races, and I expect to see him obliged by too much difficulty. Delta

Song, from Captain Ryan Price's Findon stable which sent out Giannetti to win this race two years ago, may follow the selection home.

In a somewhat sub-standard running of what I consider Britain's most interesting sprint, the Nunthorpe Stakes (4.10) the three principals in Goodwood's King George Stakes — Auction Ring, Hot Spark and Bay Express — again have the finish to themselves.

Bay Express, third there, beaten by only half a length and a short-head, was running much his best race for some time, and on more favourable terms with Auction Ring and Hot Spark he may prove capable of gaining his second success of the season.

Even if they fail to land the Nunthorpe with Auction Ring, Dick Hern and Joe Mercer should be left empty-handed for I expect the Gaiters Stakes (4.40) to concern chiefly the West Isley pair, Cartwheels and Sals Rins. The former, a fine Busted filly, produced her best form to date when comfortably conceding nearly two stone to Jolly Smooth at Goodwood recently, and she appears as the probable answer.

APPOINTMENTS

Ideal Homes managing director

Mr. D. M. Colverley has been appointed managing director of NEW IDEAL HOMES and will retain his position as financial director of IDEAL BUILDING CORPORATION, the housing division of the TRAFALGAR HOUSE GROUP.

Mr. Richard F. M. Clark has joined the SCANDINAVIAN BANK as a manager in its international loans team.

Mr. Ronald Henry Dent has been appointed general manager of director of POWELL DUFFRYN. Mr. Dent is chairman of Cape Industries and a director of Charter Consolidated and of English China Clays.

Mr. D. E. Wilde has been appointed a director of HOCROFT TRUST.

Mr. J. A. D. Mooson has been elected a director of STEPHEN SMITH AND CO.

Mr. W. C. G. Cartwright has been appointed managing director of BRAID GROUP in succession to the late Mr. A. G. Gregson, who was chairman and managing director.

Mr. N. L. Smith has been appointed to the Board of DOLLOI TEA HOLDINGS.

Mr. Ben J. K. Timson has been appointed managing director of industrial relations and safety officer with LONDON COUNTRY BUS SERVICES from September 8 next. He will be responsible for the company's industrial relations matters generally.

Mr. Manfred Fausch has joined

PITNEY BOWES as planning assistant to the vice-president of European operations.

The INSTITUTION OF ELECTRICAL ENGINEERS (IEE) announces the appointment of four new members of the Council, all dating from October 1 next. Mr. I. L. Davies, deputy controller of I.E.E. Systems, D. Ministry of Defence, has been elected chairman of the Council. Professor John Leonard Dence, Professor of Electrical Science at Warwick University, will take office as chairman of the Control and Automation Division; Mr. Malvern N. John, since 1972 a partner of Kennedy and Donkin, consulting engineers, will take office as chairman of the Power Division; and Mr. R. Thompson, head of the Department of Systems and Computing at the North-East London Polytechnic, will take office as chairman of the Science, Education and Management Division.

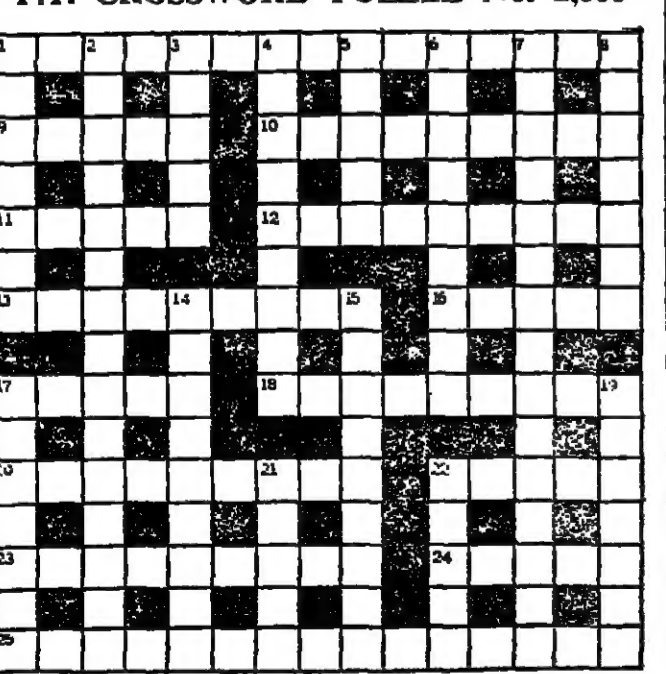
Mr. F. L. Garner, deputy chairman of PEARL ASSURANCE COMPANY, has been elected to the Board of R. GREEN PROPERTIES.

Mr. Thomas C. Thibault has been appointed deputy managing director of WELLS FARGO with responsibility for loans, syndications and marketing.

TV Radio

BBC 1
+ Indicates programme in black and white.
10.00 a.m. Wacky Races. 10.10 Robinson Crusoe. 10.35 The Record Breakers. 12.55 p.m. Debrau Canu: Debrau Canu. 1.30 Rattling. 1.45 News. 4.25 Regional News (except London). 4.35 Play School. 4.50 Bewitched. 5.15 Newaround Extra. 5.40 Sir Prancelot. 5.45 News. 6.00 Nationwide (London only). 6.25 Private Lives. 6.50 A Question of Sport. 7.20 Top of the Pops.

F.T. CROSSWORD PUZZLE No. 2,860



ACROSS
1 Effervescent product with peach makes a dish (6, 3, 6)
2 Company commanding officer gets a drink... (5)
3 And kitchen boiler provides another (3, 6)
11 Restrict the capacity (3)
12 Dashed round about ten and punished (9)
13 The way one with a chill becomes frigid... (5, 4)
16 ... or takes in article which is different (5)
17 Prize following degree in 15
18 Is he's duty mysterious? (9)
20 Go to waste in the garden (3, 2, 4)
22 Craftsman left in a row (5)
24 The Isle of Grace (5)
25 Fill up the mouth and mature (3, 4, 3, 5)

DOWN
1 Bonds and fastens (7)
2 With general agreement through ordinary trick despatched (2, 6, 7)
3 The smallest ordinal in the final (5)
4 Using skill I constrict the plant (6)
5 Drink with one producing play (5)

8.00 It Ain't Half Hot Mum. 8.30 Robbie. 9.00 News. 9.25 The Opposition Reply. 9.35 "War and Peace" by Leo Tolstoy, part 8. 11.05 Nairn's Journeys. 11.35 Regional News. All Regions as BBC 1 except at the following times:— Wales—6.00-6.25 p.m. Wales Today. 6.50-7.20 Heddidi. 11.05-11.40 Local Shows at Home. 11.45 News of Wales. Scotland—6.00-6.25 p.m. Reporting Scotland. 11.35 Scottish News Summary. Northern Ireland—4.25-4.45 p.m. Northern Ireland News. 6.00-6.25

BBC 2
6.40 a.m. Open University. 11.05 Play School. 12.25 p.m. Open University. 7.30 Newsday. 7.55 Cornish Shipwreck. 8.10 Vienna 1800. 8.25 Comedy Movie On. 9.00 All in the Family. 9.25 Ten Years of Man Alive. 10.15 Gardeners' World. 10.45 It's a Small World. 10.55 News Extra. 11.25 Closedown: Georgeine Anderson reads "How to Get On in Society" by John Betjeman.

LONDON
10.25 a.m. The Roundabouts. 10.45 A Big Country. 11.30 Spiderman. 11.40 Galloping Gourmet. 12.05 p.m. Bushy Boy. 12.30 Hasty Town. 12.40 Pinkies. 1.00 First Report: News, FT. Index. 1.20 Lunch-time Today. 1.30 Time to Work. 2.00 Good Afternoon. 2.25 Racing from York. 4.25 Rainbow. 4.45 Sings. 5.50 News from ITN. 6.00 To-day. 6.25 Crossroads. 6.35 Comedy Movie. 7.00 Comedy Movie. 7.30 Griff. 8.30 Pilcher. 9.00 Moody and Fegg. 10.00 The Opposition Reply. 10.40 Drive-in. 11.10 Elusive Geisha. 11.25 a.m. What the Papers Say. 12.20 It Matters to Me. All ITV Regions as London except at the following times:—

ANGLIA
1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.35 Fantasy

RADIO 1 247m (5) Stereophonic broadcast. 6.30 a.m. 1. Radio 2. 6.40 News. 6.50 Tony Blackburn. 11.40 Dave Lee Travis with the Radio 1 Roadshow. 12.30 a.m. News. 12.45 Johnnie Walker including the new Top 30 LPs. 2.02 David Hamilton (5) (also on VHF). 5.00 Newsday. 5.25 John Peel with Top Gear. 1.00-1.25 a.m. Radio 2.

RADIO 2 1,500m and VHF 6.30 a.m. News Summary. 6.42 Simon Bates (5). 6.45 Praise for Thomas. 7.00 Tony Blackburn (5) including 2.27 Racing Bulletin. 7.45 Praise for Thomas. 8.02 Peter Murray's Open House (5). 8.10 News. 8.15 Sports Desk. 1.55 Good Listening. 2.02 David Hamilton (5). 2.25 John Peel with Top Gear. 1.00-1.25 a.m. Radio 2.

4.35-4.50 Muri Mew. 6.41-6.51 Y. Dydd. 10.40-11.10 BBC 1. 11.30-11.40 a.m. The Final Solution (part 2). 11.40-11.50 a.m. Report West Headlines. 12.30-1.00 a.m. Report West Headlines. 1.30-2.00 a.m. Report West Headlines. 2.30-3.00 a.m. Report West Headlines. 3.30-4.00 a.m. Report West Headlines. 4.30-5.00 a.m. Report West Headlines. 5.30-6.00 a.m. Report West Headlines. 6.30-7.00 a.m. Report West Headlines. 7.30-8.00 a.m. Report West Headlines. 8.30-9.00 a.m. Report West Headlines. 9.30-10.00 a.m. Report West Headlines. 10.30-11.00 a.m. Report West Headlines. 11.30-12.00 a.m. Report West Headlines. 12.30-1.00 a.m. Report West Headlines. 1.30-2.00 a.m. Report West Headlines. 2.30-3.00 a.m. Report West Headlines. 3.30-4.00 a.m. Report West Headlines. 4.30-5.00 a.m. Report West Headlines. 5.30-6.00 a.m. Report West Headlines. 6.30-7.00 a.m. Report West Headlines. 7.30-8.00 a.m. Report West Headlines. 8.30-9.00 a.m. Report West Headlines. 9.30-10.00 a.m. Report West Headlines. 10.30-11.00 a.m. Report West Headlines. 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Record Review

Two sopranos

by MAX LOPPERT

The incomparable Victoria de los Angeles. 3 records in box. EMI SLS 5012 (26.80).
 Possibilities: La Gioconda, Callas, Barbiere, Amadigi, Porgi e Silveri, Neris/Ch. and Orchi. RAL Turin/Vesta. 3 records in box. EMI GVC 3456 (23.25).
 Rossini: Il barbiere di Siviglia. Callas, Gobbi, Alva, Ollendorf, Zaccaria/Philharmonia Ch. and Orchi/Gelbera. 3 records in box. EMI SLS 503 (26.80).
 Marini: Callas by Verdi. Bisset, Gluck, Saint-Saëns etc. HMV Concert Classics SXL 30166 (£1.99).

Last May Victoria de los Angeles celebrated at the Festival Hall the 25th anniversary of her first Wignam Hall recital. It was a sad occasion. The debilitation of the voice refused the singer, and her audience, that joyful communication which she and they were plainly expecting—something an exceptionally testing programme did nothing to conceal. At the time it seemed wiser not to commemorate an evening of such quality in print; better far to hope for future appearances in which the vocal strengths that obviously remain would be more comfortably presented.

None more suitable cause for celebration comes from EMI: a 3-record album from the golden years of the career, which explores with special value the early part, when recordings first began to display to a wider world the ecstatic abundance of the Spanish soprano's art. The selection also touches the LPs of the 60s; but the concentration is on the late 40s and early 50s, when first in the Barcelona studios, then in London around the time of the BBC 1948 studio recording of Falla's *La vida breve*, then in opera sets produced from Milan, Rome and Paris, the unique character and qualities of the voice were given happy, frequent exhibition.

Two songs from 1947, from the first-ever de los Angeles recordings, begin the survey—a sweet tonalistic aria, *Un sospiro*, and an orchestration touched lightly by the youth of the voice. The grand career proper commences with the *Vida breve* aria of 1948 and, triumphantly, with the scene from *Granados' Goyescas* a year later. "Viven los que ríen," the delicious Ernesto Sabatini song, knives, jealousy and Spanish pride turn to bewitching, light-hearted comedy. Plentiful examples of medieval and Renaissance lyrics reveal the over-the-top natural fount of laughter the voice elsewhere so artlessly contains. It is a guileless outpouring, free, shining, with rich tones; words are formed with much less polish than in the three later versions of the aria, particularly that of a purity of sound that speaks of fields and churches

floods out, with none of the pinching on top or thinning of support that began to creep in a decade later.

"La maja y el ruiseñor" from *Goyescas* is perhaps the high point of the set, and of all the recordings. It is a voice that took so gloriously to the gramophone can be restricted to a single peak among so many mountain wonders. Rosario, the musing heroine, extends a single musical reflection into a rapturous meditation; the voice pours forth its soul "abroad in such an ecstasy." Keats and his nightingale seem to enter the scene (it cannot be too fanciful, surely, to discover in the voice here a Keatsian quality, "with ripeness to the core"). With ripeness to the core, an exceptionally adaptable vocal ripeness? The album, with arias from famous de los Angeles parts, testifies to an operatic personality most itself in sweetness, aristocratic refinement, and feeling, replete of delicate sentiment, less so in heroism or grand passion, artifice or guile. Desdemona in prayer and Mimi in tenderest farewell (these from the 1954 Rome set), transfigured Butterflies, Elisabeth and Elsa (despite the rather Iberian German)—these sit naturally on the voice. Manon (from the 78 Farewell once

Book Reviews will appear on Friday

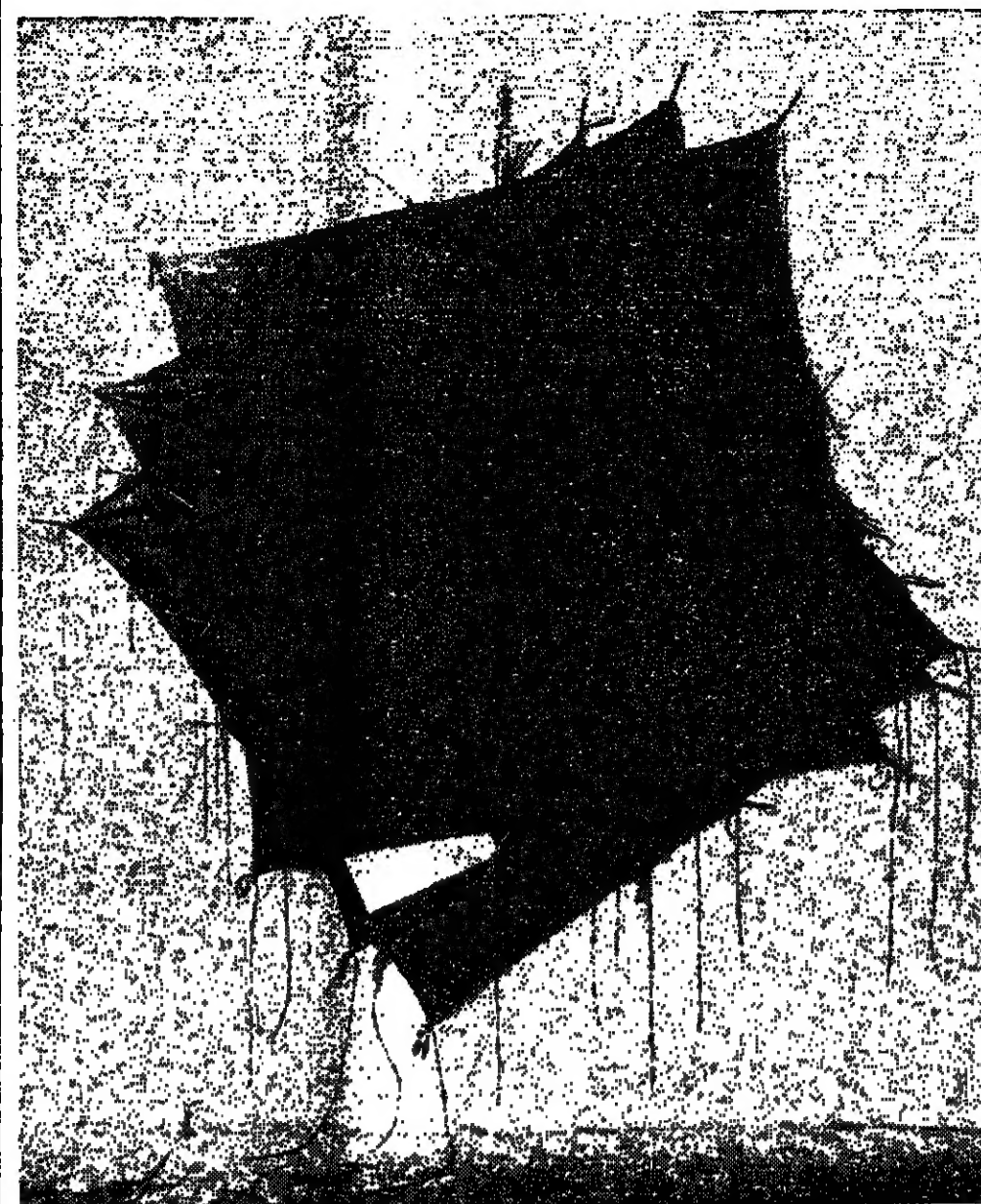
judged by the Record Guide too slow and sentimental) and Marguerite lack coquettishness; Rosina is "docile" but hardly a "viper." Carmen, later in the 50s, sparkles with an impudent wit owing, certainly, something to Beecham on the podium—nothing of the fatal temptress here.

Not an untheatrical personality, either, one touched by the darker shades of human emotion. The focus on this limitation (but is it really such?) is even clearer in the songs. No *mélodies* or *Lieder*, all the same, with Alva and Gobbi on fine form. The earlier of the two Callas *La Gioconda* sets is back, its sound no fuller than before, and with half the cast dead weight (Fedora Barbieri offers a traditional yet compelling Laura). It serves as an exhibition of the young Callas, the near wildness of the voice in the opening scene clearing later to a desperate urgency. In the final duet, the one stops hankering for greater Verdiian finish to the opera, riveted by the crackle and Callas, nightingale and high priestess of the century, should both be born in 1923.

Tate Gallery

Richard Smith

by WILLIAM PACKER



Richard Smith flies a kite

Richard Smith, one of the most respected and securely established of our younger middle generation of painters, is now enjoying the compliment of a major exhibition of his work, which remains on view at the Tate Gallery until the end of September. In the late 1950s and just out of the Royal College, one of the tiny group of artists not only aware of post-war American painting but also to respond to it intelligently, Smith had the good fortune to find himself doing the right thing at precisely the right time, and to such effect that within a year or two he had achieved the eminence of a Grand Young Man of English art.

His first one-man show of all was in 1961 at the Green Gallery in New York, a show which pitched him at once into the international mainstream, where he has sported ever since. He has since painted in the prestigious London, forays abroad have kept his career on its inexorable course; and it has been admitted that each time we have felt bound to go along to see the latest offerings, that each show was an event of more than passing interest. Whatever one's doubts of its ultimate importance, the relationship of his work to current painterly preoccupations, its innate seriousness and its ambitious scale all commanded respect.

The retrospective exhibition is a severe test for any artist. It may mark incipient apoplexy, that leap beyond criticism, but more probably will reveal at least one clay foot. The advantages are on our side, for we may see the work clearly and whole, taking rather less for granted, in terms of fashion or performance, and making fewer allowances for promise or plausibility than when we saw it piecemeal. An artist with Smith's reputation, sooner or later, must face this ordeal by exposure.

He is an artist who works steadily through his ideas, each show a coherent exposition of the stage he has reached in their investigation, ordering and clarification. It was an extremely happy inspiration, therefore, apparently Smith's own, to dispose this exhibition so far as possible, as the re-assembly of some of those separate stages in the development of his work. We start with the very latest abstract, kite-like structures that hang from the ceiling or away from the wall, and then move

abruptly to the paintings shown fourteen years ago in New York; and so, room by room, back to the present. It makes a great deal of sense, demonstrating the overall unity of the work, with one thing leading to another eventually, and yet isolating the particular formal interests with which he was predominantly concerned at any one time.

Those early paintings help to explain how Smith came to be taken up so promptly. They are large, very large for the time, and extremely seductive, carried off with disarming sophistication and assurance. They are unaggressive and easy-going, the images stated casually and softly, but none the less sure and effective for that. They show Smith standing confidently and easily in the no-man's-land between abstract expressionism and pop art, the rival factions of the time. On the one hand we see the loose, gestural handling of the paint, the rich and pure colour, the concern for the surface of the canvas; and on the other the imagery, a simplified heraldry culled from large-scale advertising. For a while the imagery triumphed, and the next show was less happy. The attempt to move freely between pictorial and actual space failed, and the results now look very tired, inept and dated, though they seemed exciting enough then. The painter must provide. The real thing placed a premium on craftsmanship that Smith could not pay.

He has remained faithful to these fundamental contradictions: the image made real becomes sculpture; move beyond the surface and you move back to painting. The painting is both stuff and illusion, simply itself and more than itself. The exhibition takes us through his skirmishes with these ideas, some resolved successfully, even impressively in the case of the shows of 1968 and 1969, others less so.

The latest work, developed over some four years, takes a simple piece of canvas, the painter's raw material, carrying perhaps a rudimentary image. It is stretched by rods, like a kite, falling open in part by its own weight, hung from the wall by a string that moves on across the surface, as it were a drawn line and activating the space and surface as such, to fall away at last, only itself again. There is no deception: everything is what

Arts news in brief

An exhibition of over 200 pieces of plate from the colleges of Cambridge University, the City of Cambridge, the National Trust (Anglesey Abbey) and the Fitzwilliam Museum, Cambridge, originally organised by the Fitzwilliam, has been lent to the V. & A. and will be on display there from September 4 to October 5. As well as many examples of important historic plate, there will be many modern gifts and commissions, borrowed mainly from Churchill College, Fitzwilliam College and St. Catherine's.

The London Symphony Orchestra has announced that Professor Eugen Joachim has agreed to become Conductor Laureate to the London Symphony Orchestra for two years starting the season 1977-78. Prof. Joachim has recently signed an exclusive recording contract with EMI Ltd. Many of these recordings will be made with the LSO. He made his debut with the orchestra in March this year, and subsequently made his first recording with them of Elgar's *Enigma Variations* and Brahms' *Haydn Variations* for Deutsche Grammophon.

The week beginning September 14 will be British Week in Baden. The festival is being held to strengthen the 120-year links with this country. The Richmond Fringe Theatre will present the European premiere of their musical, *The Lady of the Tiger* (adapted from a story by Frank Stockton by Michael Richmond; music by Nola York). There will be Anglo-German tennis, golf, swimming and cricket events, performances by the band of the 1st Bn. The Queen's Own Highlanders, and an exhibition of British consumer goods. City of London policemen will be on point duty.

The first major exhibition of the work of Burne-Jones since his death in 1898 will be mounted by the Arts Council at the Hayward Gallery in November. In over 300 works will cover his entire career as both a painter and designer.

King's Head

Madame de Sade

by MICHAEL COVENEY

Yukio Mishima, the well-known Japanese novelist and playwright, committed harikiri in 1970. In his introduction to this play, the first of his 33 to be produced in this country, he claims to write about the Marquis de Sade as "seen through women's eyes" and proceeds to draw a picture of the faithful Marquise that is both touching and profound. Around the Marquise gather a selection of female characters each affected by the marriage of Renée to the imprisoned high priest of Debauch: Renée's mother, a stalwart of the Parisian nobility, her sister (who eagerly recounts a luscious experience with her brother-in-law on a tour of Italy), and the unrepentantly hedonistic Madame de Saint-Fond who, complete with riding boots and fantasies of replacing Madame de Montespan at the court of the Sun King, embodies a totally receptive response to the Marquis's example.

Mishima sets the play in Japan and I feel it is a serious mistake of Andrea Moretti's otherwise absorbing production to leave it there. I just do not believe in Heather Chasen (as Saint-Fond) as a remnant of old Japanese amorality, displaying thigh boots and cracking her riding whip to the accompanying rustle of a bamboo interior design. But, setting that aside, she asks Renée all the right questions. They all know about the whips and the abridges in a crystal ball. But how did he treat her? The answer, delivered with an irate precision

by Marilyn Taylerson is "If you were to see our marital bed, there is nothing there that I would want you to keep secret." From this announcement, Miss Taylerson builds an eloquent plea for her status as a *bona fide* Devoted Wife. Of course she knew about the girls and the servants and the humiliation and the shame. And she even swung paked from a chandelier we gather, in one orgy in order to please her husband. In the second of two powerful scenes with her mother, she talks of the Marquis acting as a sort of threshold between herself and the impossible and replies spiritedly to the disapproval of her family: "The world is full of people who despise what they cannot imagine."

It must be clear by now that Mishima has made no attempt to recreate in theatrical terms the dangerous ecstasy or challenging sexual narcissism of de Sade (perhaps just as well—the Italian stage version of *130 Days of Sodomy* was a reminder, last year, of how such an attempt can backfire). The Marquis remains a tantalisingly distant figure, until the last scene when his presence on the doorstep as a free man (the year is by now 1780) is reported. Renée will not see him. She has read all the books and the architect of an imperishable cathedral of vice that she recognises in print in no way corresponds to the man whose honey she sucked when the whores were booted out the door. On one hearing, Ronald Keene's translation strikes me as an elegant piece of work. And Miss Taylerson, in a beautifully controlled and descriptive performance, serves it very well indeed.

Soho Poly

B Movie

by MICHAEL COVENEY

Robert Walker's luncheon play starts with a good idea. Easily identifiable Hollywood types cluster in a bar for no apparent reason than to fire off clichés and threats at each other. A fat, scowling barman cleans the glasses while a piano player doodles on his tiny instrument. Sam to tell her about the life Gloria (Pat Quinlan) cases on in a beautiful forties gown. Gloria Grahame and a dash of Judy Holliday. Sam (John Bay) ambles on in an elaborately double-breasted mackintosh and orders a large rye. Humphrey Bogart. Gloria bats Sam but is interrupted by the sweaty intrusion of Peter (Simon Callow) who jabs on about Albertino's boys and looks as though a bomb might go off in his pocket at any moment. Peter Lorre, but re-worked, could yet live up in his promise. Jane Ripley has say about these characters. The realistic saloon in dull browns reside in the accuracy of the

camp. Some weak casting proves almost fatal, but Miss Gynn and Mr. Bay play with considerable finesse. Miss Quinlan's rendition of "It's Only A Paper Moon" is alone worth the price of a seat, and there is some nicely edged dialogue in the final moments as Gloria, dying on the floor, foresees Sam to tell her about the life Gloria (Pat Quinlan) cases on in a beautiful forties gown. Gloria Grahame and a dash of Judy Holliday. Sam (John Bay) ambles on in an elaborately double-breasted mackintosh and orders a large rye. Humphrey Bogart. Gloria bats Sam but is interrupted by the sweaty intrusion of Peter (Simon Callow) who jabs on about Albertino's boys and looks as though a bomb might go off in his pocket at any moment. Peter Lorre, but re-worked, could yet live up in his promise. Jane Ripley has say about these characters. The realistic saloon in dull browns reside in the accuracy of the

Aldwych

Jingo

by B. A. YOUNG

"Boo!" called a patron behind me as the company came on to take their bows. "Absolute rubbish!"
 Certainly there is nonsense involved, for Charles Wood's theme is the defence, or non-defence, of Singapore in the second world war. Military historians agree that the plans for denying Singapore to the Japanese with guns pointing the wrong way and defences unbuilt lest they lower morale were less than perfect. It is generally conceded that the hastily extricated troops, valuable from a logistic point of view, might have exacerbated the unexercised portion of the population. But, surely, the great British people weren't responsible! Surely by now Singapore must be as signal a victory as Dunkirk.

Charles Wood has reduced the whole gamut of responsibility into the personalities of a handful of men and women of medium rank—an, a Regular major, George, a war correspondent disguised as a major, Gwendoline, the flighty woman to whom they have to turn being married, a brigadier on the Staff who (presumably) has something to do with operations when he is not trying to seduce the lady at dinner-parties, a pugacious planter. The Regular does what he can to improve the defences. The war correspondent pumps fatuously optimistic commentaries over the air. Both of them, in the end, turn out to be personally brave men; and even Gwendoline proves to have stamina enough to see her through the emergency without reliance on her attendant males, and even to join the FANY when she gets back to England.

There is no real blame attached to these characters.

They are doing what people in their position at the time would normally have done. The silliest thing about them by today's standards is their attitude towards the Singapore Chinese who work for them. They discuss their most private affairs in the presence of servants. They expect unquestioning loyalty when they offer neither succour nor reward in exchange. So strongly are these attitudes ingrained that the Chinese accept them as readily as the British. With the Japanese at the gates, Gwendoline, unable to pay for the last two bottles of beer in the Raffles Hotel which the room-boy has just brought her, hurls a bunch of her husband's shirts at him for the laundry. He accepts them impatiently; and what's more, the laundry is done.

Where Mr. Wood shows his talent is in presenting all this through the medium of a Cowardesque romantic triangle. It is true that the triangle is not explored in great depth, and its sides are periodically distorted by extraneous forces; but if one were asked to tell the story of the play in a few words, one would legitimately say that it concerns the battle of two men over a flirtatious girl. Mr. Wood's dialogue is wonderful; he has an ear for cult phrases and invents exaggerations of "in" conversation that sound authentic and derivative at the same time.

Two of the three main characters show unexpected casting. Anna Massey makes Gwendoline, a tough independent girl, not so young as she was but determined on a good time, and utterly frank about her shortcomings. George, her current husband, is played by John Standing, who has abandoned his familiar role of handsome romantic and produced a true character part, a

pleasant middle-class drip who has been elevated above his natural resources by the fortunes of war and is well aware of his inadequacy. "There is a quiet dignity in the way I admit to being a fraud at once," he cracks at one point, and then puts him into a nutshell. Ian, the Sapper major, is played by Michael Williams; he is, as they used to say in examination papers, a foil to George, a typical field officer who has devoted his career to being just that. Mr. Williams does him justice.

There is richness in the supporting parts. Peter Jeffries is the frivolous brigadier who sometimes shows accidental signs of being good at his job but ends up in a welter of masochistic self-pity. There is a notable sketch by Bernard Lee as a planter; having sent his wife to Singapore to find a boat, he intends to burn his trees and go after the invaders with a bicycle, a shotgun and a tiny Chinese dance-teacher (Yasuko Nagazumi). As the room-boy who combines incipient independence and built-in obedience, Eric Young makes a lot out of a short part.

There are imaginative designs by John Gunter that display the gradual decay of elegance as the enemy approaches; and faultless direction by Richard Byrne that fully maintains the reputation he has built up for himself at Nottingham.

Jingo is not at all my idea of rubbish. To me it seems like a play of something like genius, with its transmission of serious thought through light-hearted action. It is not nice to be reminded of past errors but when the pill is surrounded by jam of such delicious quality we ought to be able to swallow it. We don't want the symptoms breaking out all over again.



Dennis Wicks as Baron Ochs and Anne Evans as the Marchioness in the English National Opera's "Rosenkavalier," which opened at the Coliseum last night. Max Loppert will review the performance in to-morrow's paper

WOOLWORTH

Interim Report

Six months ended 31st July, 1975

The Board of Directors presents the following unaudited statement of profit of the Company, and its subsidiaries for the six months ended 31st July, 1975, with comparative figures for the previous financial year:

12 months ended 31st January 1975		6 months ended 31st July 1974	31st July 1975	% Increase
£2000's		£2000's	£2000's	
489,727	Total turnover	208,766	268,892	
28,030	Less value added tax	12,573	14,230	
461,697	Turnover (excluding value added tax)	196,193	254,662	29.8
38,437	Trading profit before depreciation	14,258	15,578	9.3
5,016	Less depreciation of fixed assets	2,342	2,444	
33,421	Trading Profit	11,916	13,134	10.2
	Interest paid less investment income and interest and rents received	1,416	1,560	
2,722		10,500	11,574	10.2
30,699	Profit on sales of properties, other than on sales and leasebacks, after adjusting for depreciation of investments	(64)	123	
(50)				
30,649	PROFIT BEFORE TAXATION	10,436	11,697	12.1
15,932	Taxation	5,150	6,000	
14,717	Profit after taxation	5,286	5,697	
	Extraordinary Items			
	Surplus on sale and leaseback of properties less provision for taxation	—	—	
3,433 (3,099)	Provision for exchange fluctuations	(629)	(14)	
15,051	Profit after taxation and extraordinary items	4,657	5,683	

■ Sales and profits at this stage are in line with budgets. The present economic situation, however, makes it advisable to take a relatively cautious view of the outcome for the remainder of the year.

■ An interim dividend of 1.225p (1974 - 1.225p) per ordinary stock unit will be paid on 10th October, 1975 to stockholders on the register on 5th September, 1975, the cost of which is £4,631,000.

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A BIG SWISS BANK REPORTS

Total assets up
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Slowdown in economic activity

The slowdown in economic activity and the stagnation of world trade is also reflected in the pattern of assets. There was decreased utilization of overdraft facilities by both domestic and foreign customers. How-

ever, the demand for credit from public authorities remained lively, as did that from the private sector for export financing and, increasingly of late, for building projects. Overall, outstanding loans were up by Sfr. 238 million to Sfr. 13.1

billion. With loan demand quieter, and as a result of the significant inflow of deposits, liquidity reserves climbed substantially. The bank's capital and reserves rose by Sfr. 9 million to Sfr. 2.1 billion.

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Increased earnings

The main increase in earnings during the first half of 1975 compared with the same period last year came from the bank's brisk securities and foreign exchange business. The rise in earnings from overdraft transactions slowed down, and income from bullion dealing contracted. Net profits, which since last March have to cover dividends on the substantially increased share capital, were satisfactory.

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WORLD TRADE NEWS

WEIR-WESTGARTH'S £30m. ORDER

Mid East could spend up to £1.5bn on desalination

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

EDINBURGH, August 20.

THE QATAR Government's award of a £30m. contract for four major sea-water desalination plants to the Glasgow-based company Weir-Westgarth is a significant milestone in three main respects.

First, it confirms a revival in the market for desalting equipment which, according to Weir-Westgarth, had gone "very flat" until about 18 months ago—no much so that it was abandoned by some competitors, notably Westinghouse of the U.S.

For the Glasgow company, the initial sign of revival came last year with the award of seven orders worth £10m. Most were for plants in the Middle East, where the company's assessments indicate an exploding demand for large volumes of fresh water to serve ambitious industrialisation programmes.

The company says that Saudi Arabia reckons it will install plant with a capacity of some 550m. gallons a day over the next five years, and that the figure is likely to be nearer 500m. gallons daily if other

Middle East states are included. At current prices that would represent an investment of some £1.5bn.

Secondly, the latest contract indicates a big leap forward in plant sizes. The Qatar order is for four units with a design capacity of 5m. gallons a day each—double the guaranteed output of most of the larger plants so far ordered.

It is claimed as the largest placed in Britain, and among the three largest so far undertaken anywhere in the world. Orders for two larger plants which Weir-Westgarth failed to secure in 1971-72 from Kuwait and Hong Kong, went to French and Japanese competitors.

The Glasgow company is now conducting design studies on the feasibility of installing units in multiples of 10m. gallons daily capacity, but feels that a point is now being reached where there is a substantial economic and operational advantage in "going bigger."

Thirdly, the Qatar order is a much-needed vote of confidence

European talks on Hong Kong textiles

COPENHAGEN, August 20.

NEGOTIATIONS WITH EEC countries to get Hong Kong winter clothing moving to the EEC countries began here today.

Mr. David Jordan, Hong Kong's chief trade executive and his deputy, Mr. Lawrence Mills, met the Danish Importers' Association to discuss problems in the implementation of the month-old agreement for Hong Kong to limit textile exports to the EEC.

The two men were later flying to Bonn and were then to visit The Hague, London and Brussels.

Ghana ban on some imports

By Our Own Correspondent

ACCRA, August 20.

THE GHANA Ministry of Trade and Tourism has announced that with immediate effect all textile imports, whether or not imported under specific special un-numbered import licences, are banned. The ban affects suitings, materials, shirtings, Cromptons, woven and knitted fabrics and certain types of thread.

The Ministry explained that the ban was to protect the domestic textile industry and encourage domestic consumption of locally-manufactured textile goods.

Mattress covers and heavy upholstery fabrics for the furniture industry and other textile products for industrial use which are not locally manufactured will be exempted from the ban, provided it can be proved to the satisfaction of the Commissioner for Trade and Tourism that they are exclusively for industrial use.

The Ministry's announcement warns importers that penalties attached to a breaking of the ban are severe, and that textile goods imported in contravention of the ban are subject to confiscation.

EEC in trouble with GATT

BY DICK WILSON

A GATT report is circulating which spells out a number of instances where the EEC has defaulted on its obligations under the Multilateral Textile Arrangement (MTA) which was signed at the end of 1973.

The EEC, along with the U.S. and other textile exporters, had been given a year in which to end its existing restrictive practices with low-cost supplying countries and replace them, if necessary, by new practices conforming to the requirements of the MTA. It is now 18 months since the MTA came into effect.

India's exports up 31% in 1974/75 but deficit at peak of £563m.

BY K. K. SHARMA

NEW DELHI, August 20.

INDIA'S EXPORTS for 1974/75 totalled Rs.33,400m. (£1,500m.), a rise of Rs.7,810m. (£421m.), or 31 per cent. above 1973/74.

Revised figures issued today by the Commerce Ministry give the 1974/75 deficit as Rs.10,440m. (£563m.), against the provisional figure of Rs.10,950m. (£590m.). Exports have therefore continued to show a spectacular rise, having registered a growth of 22.5 per cent. in 1973-74 and 28 per cent. in 1974-75.

The value of imports, however, has also soared, by 57 per cent. in 1973-74 and by another 58 per cent. in the latest year, leading to the record deficit of £563m. The size of the deficit was attributable mainly to the jump in world prices of fuel, fertilisers and food, according to an official review.

The feeling here is that the high growth rate of exports cannot be maintained at the same level as in previous years because of the fall in commodity

prices. The target for the current year is therefore a 10 per cent rise.

Mr. D. P. Chattopadhyaya, Indian Minister of Commerce, has said steps will be taken soon "substantially to improve" the competitive capacity of a wide range of export products.

In a television interview here the Minister said the annual target of a 10 per cent. export growth in real terms was realistic. "We hope not only to attain the target but to exceed it," he declared. The target for the current year is Rs.380m. (£2,060m.).

Mr. Chattopadhyaya said that a substantial rise in industrial and agricultural production "we cannot achieve magic in exports." Measures to maximise India's exports to Western Europe were being taken.

Exhibitions

● An intensive U.K. drive to win New Zealand orders, with more than 70 British companies (151m.) out of arm contracts for the largest national pavilion at New Zealand's World Trade Fair, is being mounted at Wellington this week.

In addition to British cars and consumer products, the offer range from food and fine china through consumer durables such as mirrors and electric lawn mowers to heavy equipment and machinery. Most products are capital equipment, including machine tools, electronics and building equipment.

Mr. Eric Deakin, British Parliamentary Under Secretary of State for Trade, is to visit the British stand on Monday.

Introducing the British sales effort, Sir David Scott, the High Commissioner, reminded New Zealand's biggest trading partner, he felt the British effort at the Fair "would strengthen the powerful and long-standing trading link between the two countries."

● In the U.K., Hitehla, Herts., is to build modules and ballistics costing firm for the Edda and Albuskiff offshoots in the Norwegian sector of the North Sea.

● HENRY BOOT ENGINEERING will supply rail engineering equipment worth £1.2m. for a marshalling yard at Karachi Port.

● INVEP (U.K.), Hitchin, Herts., is to build modules and ballistics costing firm for the Edda and Albuskiff offshoots in the Norwegian sector of the North Sea.

Steel export target lowered

SAIL INTERNATIONAL, a subsidiary of the Steel Authority of India, has shipped 200,000 tonnes of steel worth Rupees 240m. (£15m.) out of arm contracts for the 500,000 tonnes valued at Rupees 800m. (£48m.) with importers abroad.

Total exports of steel from India this year were planned originally at 1m. tonnes but the figure has now been lowered.

Mr. A. Wadud Khan, chairman of SAIL International, has emphasised the need to secure more foreign orders in view of the marked increase in steel production in India and the availability of surpluses in many categories for exports. India has four steel plants in the public sector and two private.

SAIL International has formed working groups to draw up an export plan for the next three months, taking into account stocks available at the main plants. Negotiations are in progress with various countries to secure further orders in various categories of steel.

Export Contracts

BROWN O'MALLEY INTERNATIONAL, Hull, has secured an order for Muir-Hill tractors worth £376,500 from Libya for the Gafra field developments for the 500,000 tonnes valued at Rupees 800m. (£48m.) with importers abroad.

● HENRY BOOT ENGINEERING will supply rail engineering equipment worth £1.2m. for a marshalling yard at Karachi Port.

● INVEP (U.K.), Hitchin, Herts., is to build modules and ballistics costing firm for the Edda and Albuskiff offshoots in the Norwegian sector of the North Sea.

Yugoslav trade pattern changing

By A. Lebl

BEUGRADE, August 20.

THE GENERAL dissatisfaction of the Yugoslav with the results of their foreign trade this year has been partly relieved by what is considered a success in changing the regional pattern. The excessive reliance on trade with Western countries has always been a cause for concern, as this sector is volatile and heavily in the red.

Efforts have been directed towards increasing trade with the developing countries first of all, and then with Socialist countries as well, with whom trading has been more or less balanced.

In the first seven months of 1975 exports to the developing countries increased 63 per cent. above the equivalent 1974 period, and their share in total exports reached 16.81 per cent. That was the target envisaged for the closing years of this decade—10 and 14 per cent.

Exports to socialist countries rose 23 per cent., and their share in the total was 47.1 per cent. Shipments to the developed countries dropped 25 per cent., bringing their share down to 36.2 per cent.

The import side, however, was different. Imports from developing countries almost equalled the 1974 figure and represented 14.6 per cent. of total imports. By value they were almost double Yugoslav exports to those countries.

Imports from socialist countries increased 8 per cent. to 23.5 per cent. That was the target envisaged for the closing years of this decade—10 and 14 per cent.

Imports from Western industrialised nations were 12 per cent. higher, with a 61.5 per cent. share. The ratio of exports to and imports from those countries was close to one to four.

Winter sports plan for North Pakistan

By Kevin Rafferty, Asia Correspondent

AUSTRIA and Pakistan are to sign an agreement under which the former will help to set up a ski slope and winter sports facilities in the Swat area of northern Pakistan. Austria will provide a loan of Sch.22m. (£375,000) over the next 10 years to offer technical assistance.

It will be several years before the area is fully ready, but the Pakistan tourism ministry is pressing ahead. A site has been selected, the road built, power lines extended, drinking water laid out and the design chosen for an hotel.

Mr. Roedad Khan, the Pakistan Tourism Secretary, who is this week in Vienna to sign the loan agreement, believes his country has enormous and as yet untapped tourist potential. The northern areas of Pakistan and Azad Kashmir include the Karakoram mountains adjoining the Himalayas. This mountain chain includes the world's second highest mountain, K2, as well as a number of peaks over 20,000 feet.

Some of the lower slopes, according to the Austrian advisers who have visited the area, are suitable for skiing and a wide range of winter sports.

IN BRIEF

Sony-Hoover
Sony Trading Corporation, Japan, has concluded a contract with Hoover for exclusive distribution rights in Japan for Hoover vacuum cleaners. The U.S. products will be marketed through Sony International Housewares.

Honda improves Civic
Honda Motor has unveiled an improved version of the Civic, and plans to boost exports to the U.S. The new Civic, which has passed Japan's stringent 1975 anti-emission controls, is claimed to be capable of 62 mpg in its 1200 cc version. The new models have either an improved 1300 cc or 1500 cc version of Honda's compound vortex controlled combustion engine. Domestic sales in Japan start to-day and exports by November.

S.E. Asia lumber
Major South East Asian lumber producers will meet their Japanese counterparts in Kuala Lumpur next week at Kuala Lumpur to discuss the supply-demand position of lumber as well as price standardisation.

Franco-German trade
Trade between France and West Germany fell 8.1 per cent. in the first half of 1975. The French deficit declined 56.4 per cent. however, to Frs.2,670m. (£289m.) compared with Frs.6,130m. (£664m.) a year earlier. The improvement followed a 14 per cent. decrease in French imports of German goods, while French sales to Germany were only 0.5 per cent. lower.

Japan's export prices
Japan's export price index (1970=100) stood at 136.9 in July, a 6.8 per cent. fall from 1974, with the import price index at 204.6, up 3.1 per cent. on a year earlier.

ECGD support

ECGD has guaranteed a £25m. National Westminster Bank line of credit to Industrial Credit of the Irish Republic. The loan will help finance contracts placed in the U.K. for plant and equipment by Irish buyers. Minimum contract value is £10,000.

FOUR EUROPEAN AIRBUSES
have been bought by South African Airways for Frs.400m. (£433m.). Delivery will begin in November 1978. The sale is the second major one outside Europe in recent weeks. Korean Airlines have ordered six aircraft.

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AMERICAN NEWS

Joint Mideast-Western bank plan for New York

BY GUY DE JONQUIERES

NEW YORK, August 20.

PLANS FOR the formation of a new commercial bank in New York have been announced by a consortium of 20 Arab, American and European banking concerns. The bank would be the first to be set up in the U.S. by Middle Eastern and Western banking interests.

The proposed venture, tentatively named UBAF Arab American Bank, is expected to offer a full range of wholesale banking services with a special emphasis on U.S.-Arab trade and investment. The necessary authorisation is being sought from the New York State Banking Board and for membership of the U.S. Federal Reserve System.

The proposed capital of the bank would be \$250m. of which 20 per cent would be provided by four large U.S. banks and the remainder by the Union des Banques Arabes et Françaises, the Paris-based consortium bank, its four European affiliates and a number of Arab banking concerns.

The four U.S. banks, each of which would hold 5 per cent of the new institution's equity, are First National Bank of Chicago, Bankers Trust, Security Pacific and Texas Commerce Bank. The Union des Banques Arabes et Françaises, in which Arab interests hold 60 per cent, would own 12 per cent of the capital, with the 16 other shareholders each owning 7 per cent or less.

A number of the Arab concerns

ITT to sign 'non-political' pledge

NEW YORK, August 19.

INTERNATIONAL Telephone and Telegraph Corporation (ITT) said today it would sign a pledge to shareholders promising to confirm each year it had not taken part in partisan political activity.

A spokesman for the communications conglomerate said the pledge, subject to court approval, dismissed all claims for damages in a 1972 lawsuit accusing ITT of making illegal political payments of over \$100m. in the U.S. and Chile.

The suit, brought by State

Third world capital needs rise

BY ADRIAN DICKS

WASHINGTON, August 20.

THE NEEDS of the developing countries for capital are greater than they were in early 1974, when Euro-currency lending reached its peak, and they are likely to persist as economic recovery continues, according to the annual report of the International Finance Corporation.

Reviewing events in the developing countries in recent months, the IFC, which is the "harder" loan affiliate of the World Bank, detects signs of an increase in private lending to them in the second quarter of this year.

But in spite of this welcome reversal of a period in which the developing countries have found it hard to raise long-term funds, the IFC suggests that it will not be easy for them to secure all the funds they will need, pointing out that further deterioration in the terms of trade will tend to add to their requirements.

The Corporation's report notes that during the first half of this year, when international bond markets began to show a revival of activity, developed country borrowers clearly dominated them. As a result, developing countries have found it hard to get the access they need, and managed to sell only about \$140m. of foreign bonds in the first quarter of this year, compared to \$800m. in 1974 and \$1.2bn. in 1973.

Higher-income developing countries, accustomed to meeting a substantial part of their foreign capital needs from the international market, have been the most seriously affected by the contraction it has experienced during the recent period of declining economic activity. For the developing countries as a group, the IFC reports, the consequence of a shortage in long- and medium-term finance has been greater reliance on short-term bank loans, especially lending by U.S. banks, which

Argentine 'surprise' over Falklands

By Robert Lindley

BUENOS AIRES, August 20. "AUTHORISED sources" quoted in London as saying that Britain will not modify its stand on the Falkland Islands crown colony, and that no new discussion on the future of the archipelago is contemplated between London and Buenos Aires, have caused a "reaction of surprise" in the Foreign Ministry here.

A Foreign Ministry spokesman said that a clear mandate from the United Nations exists for the two Governments to continue negotiating to arrive at a solution to the "dispute over the sovereignty of the Malvinas Islands." This is the name by which the Falklands are known in Argentina, which claims them.

The Foreign Ministry spokesman said that both Governments must report on the progress of the negotiations at the next U.N. General Assembly.

UPI adds: Federal police surrounded the Villa Devoto prison today, hours after guards put down a riot by scores of political prisoners. Jail guards hurled teargas at the rioters and quickly controlled the melee, police sources said.

San Francisco mayor calls for end to police strike

BY JAY PALMER

NEW YORK, August 20.

SAN FRANCISCO'S Mayor, Joseph Alioto, appealed for calm of police, fire and transit workers last night following numerous reports of sporadic violence during the first day of his city's police strike. Urging police to obey court order to return to work, the Mayor stressed that there had been no massive crime wave and that there would be no need for either citizen vigilante groups or the State National Guard to keep order.

However, talks between the police unions and city officials broke down once again in the early hours of this morning and the strike is expected to continue at least for the next couple of days and possibly until next week. At the same time, San Francisco's firemen will decide this afternoon whether or not to strike later this week and the city's transit workers, who operate the famous cable cars, have already said they will walk off their jobs on Friday.

The problem between San Francisco and its municipal employees, as in many other major American cities, centres on money. While a provision in the

Russian farming inefficient says Butz

WASHINGTON, August 20.

THE SOVIET Union is buying American grain again this year because Communist-style farming is inefficient, Agriculture Secretary Earl Butz said today.

"There is no greater folly than to try dictating agriculture from the political arena. Centralised decision-making for agriculture does not work. It never has, it never will," Mr. Butz said in a speech prepared for delivery to a farm electrification food and energy symposium.

The fact that agriculture is centrally-planned in Russia is "one of the main reasons why the Soviet Union, with more than twice the land mass of the United States and only about 42m. more people, can't feed itself," Mr. Butz added.

AP-DJ adds from Galveston, Texas: A U.S. federal judge will today consider a request from the West Gulf Maritime Shippers Association for a permanent injunction against two West Gulf local branches of the International Longshoremen's Association (ILA) to prohibit them from halting future work on grain shipments to the Soviet Union. U.S. district court Judge James Noel yesterday ordered longshoremen in Western Gulf ports to resume loading U.S. grain aboard ships bound for Russia.

VENEZUELAN \$3M. EMBEZZLEMENT

By Joseph Mann

CARACAS, August 20. THE VENEZUELAN National Treasury has suffered losses of more than \$3.25m. through embezzlement over the last six years, according to an official of the Attorney General's office. Last year alone, Venezuela's petrodollar-rich Treasury lost some \$3.3m. through malfeasance in Government posts.

UNREST IN EL SALVADOR

A climate of repression

BY ALAN RIDING, RECENTLY IN SAN SALVADOR

EL SALVADOR'S armed forces have just formally reiterated their support for President Arturo Armando Molina, but it is no secret here that both senior Army officers and the dominant "14 families" are growing impatient at the 48-year-old Colonel's mishandling of recent political events.

A series of unnecessary killings of peasants and students has aroused opposition to the regime, while promises of agrarian reform from the President have irritated conservative landowners. With Congressional elections due next March and Presidential elections scheduled for February 1977, the domestic right is frankly dubious whether Colonel Molina can prevent a major upsurge of unrest. Foreign diplomats are therefore speculating that he may soon be replaced.

Colonel Molina took office in 1972 with the disadvantage—in terms of popularity—that he had lost the preceding elections. The outgoing President, General Fidel Sanchez Hernandez, not only organised a massive fraud to ensure the defeat of the Christian Democrat candidate, Sr. Napoleon Duarte, but he also put down an uprising by Army officers who were trying to reverse the fraud. Seeking survival rather than popularity, Col. Molina therefore moved quickly against potential threats by "exiling" a number of generals and colonels as ambassadors, and by using the Army to close down the university, occupy the campus and deport dozens of left-wing teachers.

But the time bought by the President with these tough measures is fast running out. For example, even though the law was changed to reduce the university's autonomy, and a malleable rector was appointed, the institution is once again a hot-bed of angry Leftists, some of whom are turning to the small extremist groups that feel the time has come for armed action against the regime and the ruling oligarchy. Sympathy for these groups increased last month when the Army and the

National Guard fired on a peaceful student demonstration, killing at least seven people, wounding another 20 and arresting more than 40.

In the countryside, where hundreds of thousands of landless peasants are tied to large estates in an almost feudal relationship, there are also first signs of restlessness. Some of the peasant organisations, such as the Salvadorean Communal Union which is sponsoring co-operatives, are helping bring minimal political awareness to the rural population, which comprises 62 per cent of El Salvador's 4.5m. inhabitants.

Pressure from the peasants was

in the countryside has forced the Catholic Church into increasingly outspoken criticism of the Government. "It is no secret that there exists here a climate of violence, repression and lack of respect for fundamental human rights," the Salvadorean Conference of Bishops said last month. "Without doubt, the main reason for this violence and insecurity is the injustice suffered by the great majority of the population."

In his latest pastoral letter, Msgr. Luis Chavez y Gonzalez pointed out that "the best lands are dedicated to coffee, cotton and sugar-cane for export, while

Yet despite the mood of political unrest, there is little organised opposition. The urban guerrillas, divided into at least five squabbling groups, have carried out sporadic bombings and kidnappings, but they have no popular base outside the student movement. The peasants (despite talk of a possible repetition of the 1932 uprising in which 20,000 peasants were killed) are too vulnerable to repression and starvation to offer more than a latent threat to stability. The Moscow-line Communist Party, working through its front, the Nationalist Democratic Union (UDN), has felt obliged to maintain its coalition with the Christian Democrats in order to remain significant while the Christian Democrats themselves seem lacking in direction without their leader, Sr. Duarte, who is in exile in Caracas.

The future of the country is very much in the hands of the armed forces who have perpetuated themselves in power through elections since 1962. The original objective of the armed forces was to create a centrist party—the National Conciliation Party (PCN)—and reduce their identification with the ruling elite. But in practice the military regimes have been easily manipulated by the "14 families" and their associates, who in recent years have diversified their interests from farming to include light industry and finance.

The nine full colonels who supposedly take the key decisions with Colonel Molina have shown little appetite for social reform, and are themselves deeply involved in business deals with the "14 families." Even the younger Lieutenant-colonels and majors show none of the progressive tendencies of their counterparts in neighbouring Honduras.

For the Army as well as the oligarchy, talk of reform is still "Communism." So any change that takes place in the coming months will probably involve a swing to stronger and even more conservative government.

"People are getting poorer all the time. There is hunger in El Salvador to-day"—Archbishop Luis Chavez y Gonzalez.

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THE ELECTRICITY COUNCIL, ENGLAND & WALES

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Consolidated Balance Sheet of the STET Group

	31-12-74 (in million lire)		31-12-74 (in million lire)
Assets		Liabilities	
Fixed assets		Net Capital	
— property account	569,357	Stet-Società Finanziaria	
— telecommunications plants	3,891,243	— Telefonte	230,000
— industrial plant and machinery	170,475	— issued capital	79,555
— furniture and equipment	76,753	— ordinary reserves	136,123
		— consolidated reserve	
		— balance on profit and loss brought forward	17,757
			533,435
Stock on hand	180,129	Third party shareholders of consolidated companies	
Finished and semi-finished products	222,521	— issued capital share	269,477
Shares and shareholdings unconsolidated	20,697	— reserve share	102,229
Treasury	36,261	— net profit share	11,426
Users and clients	513,281		383,132
Sundry credits, accruals, prepayments and miscellaneous items	248,306		
	5,929,223	Sinking funds	916,567
Economic account		Social security funds	1,198,639
Costs		Bond issues	41,500
Labour costs	737,032	Long-term debts	1,813,614
Materials and other direct and indirect costs	465,145	Medium-term debts	179,352
Financial expenditure	187,605	Short-term debts	263,946
Taxes and rents	59,691	Accounts payable	279,781
Redemption	161,756	Sundry debts, accruals, prepayments and miscellaneous items	804,123
			5,929,223
Net profit		Economic Accounts	
— Stet's share	17,757	Earnings	1,528,836
— third party shares (reserves)	1,640,413	Turnover	79,025
		Finished and semi-finished products	32,542
		Other earnings	1,640,413

EUROPEAN NEWS

Vigorous Italian recovery next year, say employers

BY RUPERT CORNWELL

ROME, August 20.

ITALY'S recession is likely to drag on until the start of next year at least, but when recovery comes it ought to be fairly vigorous, according to the influential employers federation Confindustria.

The gist of Confindustria's latest report, on the economic outlook for this year and next, is that 1976 should see an improvement in output that will wipe out the decline experienced in 1975. Investments are expected to climb sharply while unemployment, especially in the construction industry, will probably decline.

Needless to say, this optimism is anything but unconditional. In the first place it assumes that the global economy will at long last perk up, and that the first signs of recovery in Italy do not bring the country straight up against the dominant but far from extinct problems of inflation and a possible balance of payments crisis.

Secondly, much depends on the efficiency with which the Lire 3,500bn. reflation programme announced a fortnight ago is translated into fact. Yesterday the Confindustria president and Fiat chairman Giovanni Agnelli again pleaded that the measures decreed be activated as quickly as possible by Italy's notoriously inert public administration.

According to Confindustria, industrial output should grow next year by 6.6 per cent compared with a forecast decline of 6.4 per cent in 1975. The most striking improvement will come in the capital goods sector and manufacturing industry in general, and in the construction industry where a drop of almost 10 per cent this year should become a gain of 2.5 per cent.

Equally encouraging are investment prospects, where a drop of 2.5 per cent in 1975 should give way to an increase of 8.7 per cent in 1976, making a grand total in cash terms of Lire10.9bn. for the two years.

A transformation is above all likely in the hard-pressed construction sector, in which capital spending is expected to drop by more than 11 per cent in 1975. Next year, thanks in large measure to the latest Government package, the report suggests an advance of 4.9 per cent.

The survey's most sombre aspect concerns unemployment, and it predicts that even the vigorous forecast recovery will not completely eradicate the increase in jobless suffered during the recession year of 1975. Despite new manpower required by the building and public utility sectors the overall industrial workforce is forecast to rise only 1.2 per cent against a contraction of some 1.8 per cent this year.

Bonn extending reflation plan

BY JONATHAN CARR

BONN, August 20.

THE WEST German Government is preparing marginally more extensive measures to help boost the economy straight up against, and to keep a particularly tight rein on public expenditure next year.

These points emerge from a statement released to-night following a meeting between Chancellor Helmut Schmidt and leading ministers at Herr Schmidt's holiday residence in North Germany. All those taking part in the meeting were unusually reticent before reporters both during a break in the day-long discussions and afterwards, so that further details of the talks have not so far emerged.

It is known that the Free Democrats present plan to put forward proposals for improving the investment propensity of the private sector in the middle-term, which would prove highly controversial with their Social Democratic colleagues.

According to the statement, Finance Minister Hans Apel and Economics Minister Hans Friedrichs will propose to the Cabinet next Wednesday a programme of investment expenditure of some DM5.5bn. The investment will be aimed primarily at helping the hard-hit construction industry up to now a total of DM5.5bn. had been under discussion. The statement also drew attention to Cabinet discussions early next month on the supplementary Budget for this year and the Budget for 1976. It spoke in this connection of "consolidation"—which in the current situation of massive budgetary deficit can only mean still tougher savings measures are to be expected soon.

Swedes want 'democratic' control of multinationals

BY WILLIAM DULLFORCE

STOCKHOLM, August 20.

A WORKING group set up by the Swedish Trade Union Confederation has called for greater "democratic" control of multinational companies, both foreign enterprises operating in Sweden and Swedish concerns with foreign subsidiaries.

The group specifically asks for more stringent taxation of multinationals in Sweden and for legislation giving the State a prior right to buy a company about to be taken over by a foreign concern or the possibility of delegating its right to a Swedish company.

Stricter criteria, taking into consideration not only currency but also domestic industrial and employment policies, should be applied to Swedish applications to invest abroad and the relevant unions should be consulted before permission is given. Any application should be accompanied by an alternative proposal for domestic investment.

Swedish companies' foreign subsidiaries should file annual reports in line with Swedish practice and the Riksbank (central bank) is asked to study the possibility of obtaining weekly reports on Swedish companies' international payments and transfers.

The union report claims that Swedish investments abroad have increased five-fold during the last 10 to 15 years, reaching Kr2.4bn (£266m) last year, while foreign investment in Sweden has been tapering off, amounting to Kr500m (£56m) annually. Swedish foreign investment had created 35,000 new jobs abroad since 1965 while employment in domestic industry dropped by 30,000.

The report approves of Swedish industrial expansion abroad but warns that it must not lead to a "technological disembowelling" of the home industry or weaken the production basis for an expansion of social services.

FRENCH DEBATE ON PORTUGAL

The disunion of the Left

BY ROBERT MAUTHNER, PARIS CORRESPONDENT

THE CURRENT dispute over Portugal within the French Union of the Left—the stormy partnership between the Socialists and Communists—is one of the most fundamental and virulent since the alliance came into being in 1972. It is almost equal in intensity to the quarrel between Socialists and pro-Moscow Communists after the invasion of Czechoslovakia in 1968, but at that time the Union of the Left did not exist. Whereas the Communists and Socialists have been engaged in a running battle ever since October last year, they have been arguing mainly over what now looks like comparatively minor problems such as the support they should give each other in by-elections and the organisation of joint national campaigns. The events in Portugal, however, have given their disagreements an entirely new dimension.

Past masters at papering over their basic ideological differences in carefully-worded common programmes and smooth double-talk, the Socialists and Communists have suddenly been forced to make plain their reaction to a situation which concerns Frenchmen and women more directly than most other people. For not only is Portugal almost a neighbour, it is the only European country where the Socialist-Communist Government has been tried out in practice. People can argue themselves blue in the face that the situation in France is charged with distinction, but the ordinary French voter is almost bound to make a comparison and Portugal will certainly be used as anti-Communist ammunition by the ruling coalition parties in future election campaigns.

The realisation that the events in Portugal could be seen by many people as the mirror image of what would happen in France if the Union of the Left ever came to power has concentrated the minds of the Socialist and Communist leaders wonderfully on the fundamental problems they should always have been talking about: the safety of the democratic vote and the freedom of the Press, principles to which even French Communists have

always paid lip-service, have suddenly been shown up as real issues on which the French Communist Party takes a very different line in practice. It has neither protested at the virtual suppression of the Portuguese Socialist newspaper *República* nor at the way the choice of the

Communists themselves, for refusing to accept a common programme with the Socialists and, what is even worse, for scorning the whole democratic process. And in a telling reply to Communist protestations that France is not Portugal and that the Communist Party supports a

from last autumn onwards, obliged him to adopt a much harder line towards his Socialist partners than previously and which, at one stage, may even have thought seriously of toppling him from the leadership. M. Marchais has thus adopted

"dissolving (the Party) in an ideologically amorphous organisation." A reference to Portugal, no doubt, but also to France and Italy. The Italian Party has learned to make such "distinctions" from Moscow in its stride and treat them with its customary confidence in its own particular strategy of achieving power. But M. Marchais was manifestly embarrassed though he was more independently outspoken about the Pravda article's relevance to France than he usually is.

The French Communist Party's policy is decided in Paris, not in Moscow. M. Marchais said, adding that good measure that Lenin could not have foreseen in 1903 all the specific problems for which political solutions had to be found in France to-day. Significantly, however, he declined to comment on the statement in the same article, signed by M. Zardov, that "the dictatorship of the proletariat" should be an initial and not just a final Communist objective, rather than attempting to gain power through "bourgeois" elections.

If M. Marchais had publicly endorsed this statement, he would have seriously undermined one of the fundamental principles on which the French Union of the Left is based—namely that changes of Government should be made possible through free elections. The outcry on the part of the Socialists would have been so great that the alliance might have collapsed there and then. The fact that he restrained himself to toe the line and his personal preferences and, probably those of a large section of his Party, are still for a continuation of the alliance. What will happen, however, if what appears to be a new Moscow line is confirmed and if greater pressure is put by the Soviet Communist Party on its Western equivalents, is anybody's guess for the moment. On the face of it the French Party will either have to toe the line and ultimately sacrifice its alliance with the Socialists or, taking its cue from the Italian Party, become increasingly independent from Moscow. Communist Party wheels gear in the crisis, so the situation in Portugal is likely to act as an effective catalyst which should hasten the moment of decision.



M. Marchais, the Communist leader: unwilling to compromise

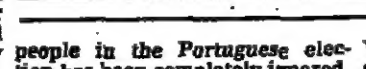
people in the Portuguese election has been completely ignored. The manner in which the French, as distinct from the Italian Communist Party has behaved over Portugal has clearly increased the French Socialist leader, M. Francois Mitterrand, who has entirely abandoned his customary kid-glove tactics in his dealings with his Communist partners. M. Mitterrand cleverly turned the tables on the Communists at a recent high-level meeting between the two parties called to discuss the situation in Portugal—an occasion which M. Georges Marchais, the French Communist leader, hoped would result in a resounding joint condemnation of "Fascist" anti-Communist violence in the North of Portugal.

Condemn the anti-Communist attacks he certainly did, but not before he had given the Communists the opportunity of making their own statement. The use of the word "Fascist" in Portugal now is largely the fault of the Portuguese Western-type democratic political system in France. M. Mitterrand wrote in the Socialist weekly *L'Unité*: "You cannot have one truth in Paris and another in Lisbon. You cannot be in favour of political pluralism at home and contest it in Portugal."

M. Marchais, it should be said, has been placed in a difficult position by his mentors in Moscow. The French Communist Party, unlike its Italian sister organisation, has always remained faithful to the orthodox Moscow line in spite of its frequent claims that it is entirely independent. One cannot see M. Marchais adopt the cavalier and critical tone towards the Kremlin which Signor Enrico Berlinguer frequently does and which the Italian Communist Party, to its eternal credit, did at the time of the Soviet invasion of Czechoslovakia. Not least, because M. Marchais has to deal with a powerful Moscow-oriented group in the Central Committee which

the ideologically safe line of firmly supporting the Portuguese Communist leader Alvaro Cunhal on every controversial issue. Indeed, the French Communists, once so keen on their alliance with the Socialists, are becoming increasingly unwilling to make compromises for the sake of maintaining good relations with their partners. There is it is in sight requiring a united stand on every issue, but the disagreements have now become so frequent and deep that the basic question must be asked whether the French Communist Party still considers the Union of the Left to be indispensable in the longer run.

Doubts about the French Party's attitude were strengthened by the recent widely quoted article in *Pravda*, the Soviet Communist Party mouthpiece, which condemned "contemporary conciliators" and those who wanted to achieve unity at all costs by



M. Mitterrand, the Socialist leader: abandoning his kid gloves

Defence pleas begin in Greek junta trial

ATHENS, August 20.

LAWYERS for 20 leaders of the fallen Greek military junta began their defence pleas before an Athens high civil court to-day.

Pleading for retired Lieutenant-General Grigoris Spandidakis, defence counsel Aristotelis Paleologopoulos said: "He is innocent. He was arrested by the plotters on the night of the coup on April 21, 1967."

He was a prisoner in the hands of the plotters and was involved against his will. He is innocent. He acted out of bravery because he wanted to gain control of the situation and avoid bloodshed."

After his arrest General Spandidakis, 66, who at the time of the coup was the chief of the army General Staff, ordered the implementation of the "Promethes" plan which dealt with internal upheaval. Implementation of this plan enabled the plotters to seize power and consolidate their grip on the country.

General Spandidakis, who pleaded not guilty to the charges, became Deputy Premier and Minister of the Interior in the army-backed Government formed immediately after the coup. He refused to take sides in the royal coup in December, 1967, and was retired by the junta.

Aristotelis Paleologopoulos said that General Spandidakis had no connection with the plotters or the preparation of the coup. "He knew nothing about the aims of the plotters and when he realised that they wanted to overthrow their presence in power, he made several efforts to react."

Defence lawyers for retired General George Zolotas pleaded the same on behalf of their client. One of them, Mr. Dignytos Livieratos, told the court that the General was not aware of the preparations let alone of the execution of the coup.

The General accepted the post of Under-Secretary of Defence immediately after the success of the coup and later the post of the regent, in an effort to help return the country back to parliamentary rule. He thought that he could use his authority and prestige to achieve this aim, Mr. Livieratos said.

Counsel for the other defendants, including former President George Papadopoulos, are expected to plead tomorrow.

The Public Prosecutor yesterday demanded guilty verdicts for all but two of the accused, high treason and insurrection charges carry a possible death penalty.

Mr. Alexandros Panagoulis, would-be assassin of former President Papadopoulos, told a court martial here today that his own summer home in Majorca after two days of private talks that stirred newspaper speculation of changes in Government. Juan Carlos, the designated successor to the 52-year-old Chief of State, may return to La Coruna shortly, Spanish Press reports said.

Premier Arias Navarro joined

Italian party criticises Soviets

ROME, August 20.

THE ITALIAN Communist Party published an outspoken criticism to-day of the attitude of the Soviet Union towards the political situation in Portugal, blaming it for ascribing all the faults to the Portuguese Socialists and none to the Communists.

In a comment on an article published yesterday in the Soviet paper *Pravda* in which the party newspaper *L'Unité* said the Italian party rejected any

interpretation of events in Portugal that blamed all the troubles on the Socialists. "We do not believe that it is either fair or wise. It corresponds to the truth to define the policies of the Portuguese Socialist Party as 'provocative' or to consider that party's leaders as the only people responsible for the current situation," it said.

L'Unité said that although it agreed with *Pravda*'s views on the dangers of western interference in Portugal's internal

affairs, "we cannot accept the judgment given in the same article on the Portuguese Socialist Party."

Although Socialist leaders had undoubtedly made mistakes, it would be wrong, and above all unproductive, to ignore the mistakes made by the other Leftist forces, the Portuguese Communist Party the strike and divisions within the Armed Forces Movement and so on," it

Communist leader invited to U.S.

BY RUPERT CORNWELL

ROME, August 20.

SIG. SERGIO Segre, the top foreign affairs expert of the Italian Communist Party, has been invited to a high-powered foreign policy seminar in the U.S. this October, sponsored by the Rockefeller and attended by leading figures of the U.S. Establishment.

Although no one at Italian party headquarters was available to comment, the eagerness of the party to ally U.S. fears over the results of the 35-nation

certain that Sig. Segre will accept along with prominent members of other Italian parties. U.S. diplomats sensed an ever to any suggestion of interference in internal Italian politics, are playing down the affair. They stress that the seminar, under the aegis of the Rockefeller-funded Council on Foreign Relations, is not official and that Sig. Segre's presence would not imply any change in U.S. official attitudes. Nonetheless the U.S. authorities are not expected, as they have done in

similar circumstances, to refuse an entry visa.

Indeed, since the June election and the prospect of a Communist victory, the U.S. has opened up of allowing Communists into the orbit of Government in the fairly near future. Signs have been emerging of a more sophisticated U.S. approach to the West's most powerful Communist party. Moreover, a successful visit by Sig. Segre could pave the way to the much-rumoured and recently denied visit of the party secretary himself, Sig. Enrico Berlinguer.

Pravda hails 'inviolable' frontiers

MOSCOW, August 20.

THE SOVIET Union to-day hailed all 10 principles of the Helsinki-European security document as equally valid, but said that if one issue was more important than the rest it was the unitary of all principles taken together.

It is impossible not to see that among the 10 principles there is one which strikes particularly deep to the heart of

the question of preventing a new war in Europe," *Pravda* said. "This is the principle of the inviolability of frontiers." The agreement to respect post-Second World War borders in Europe has been one of the most hotly disputed in western commentary on the Helsinki Summit. Critics have seen it as endorsing Soviet hegemony over eastern countries occupied after the war.

But *Pravda* denied that the frontier accord was of more value to the Soviet Union than the West. "There is no question that for the states of the socialist system the strict observance of this principle by everyone is of huge importance." But does this not apply equally well to other states in Europe?

A company spokesman said at the time that it would have been very difficult to trace which petrol stations had received the wrong petrol.

© DENMARK'S Common Market Minister, Mr. Ivar Noergaard, hopes to achieve some progress in restoring relations between the EEC and Comecon during a visit to the Soviet Union which starts to-morrow. Mr. Noergaard said here that he would be making a private visit to Comecon's Secretary-General, who initiated contacts between the Common Market and Comecon on a visit to Copenhagen two years ago. Little progress has been made between the two trading blocs since the price system the strict observance of this principle by everyone is of huge importance. But does this not apply equally well to other states in Europe?

Irish exports increase

BY GILES MERRITT

DUBLIN, August 20.

PROVISIONAL figures released last night showed that Ireland's foreign trade position, a sharp upturn in exports during July, coupled with a falling import bill, reduced the country's trade deficit for the month to £12.5m. as against the £26.3m. deficit recorded in June and the even greater shortfall of £47m. in July last year.

In all, for the first seven months of this year, Ireland has pulled its trade gap down to £123m. from the £247.9m. reached during the same 1974 period.

But while the apparent boom

in Irish exports, which for July were worth £33.4m. more than in June and 29 per cent more than in July 1974, the 30 per cent drop in last month's imports from July levels of the year before is provoking mixed reactions.

The Confederation of Irish Industry has said that it is to analyse the latest set of trade figures to determine whether the improvement is of "real significance." The worry is that the recession in the economy is beginning to bite hard and industrial demand for imported raw materials may have slackened seriously.

Arias stays with Franco

MADRID, August 20.

PRINCE JUAN CARLOS left General Franco's retreat in La Coruna to-day to return to his own summer home in Majorca after two days of private talks that stirred newspaper speculation of changes in Government. Juan Carlos, the designated successor to the 52-year-old Chief of State, may return to La Coruna shortly, Spanish Press reports said.

Premier Arias Navarro joined

General Franco and the Prince on Tuesday. He will be General Franco's guest until Friday, when the Chief of State is to preside over a Cabinet meeting. The Prince's surprise visit sparked newspaper reports that General Franco was preparing to retire, and that Senior Arias might be replaced. However, there has been no official indication that the reports are true.

OIL AND ASSOCIATED INVESTMENT TRUST LTD.



Extracts from the Statement by the Chairman Major A. S. W. Joseph, for the year ended 31 March, 1975.

- * Gross Portfolio Income: up 7 per cent to £335,000
- * Net Revenue after tax up 22 per cent to £140,000
- * Dividend: increased to 6.57 per cent (6.135 per cent).
- * Asset value at 30 June was 60p.

The Trust's holding in foreign equities rose to about 47 per cent of the portfolio value at 31 March, with UK equities equivalent to some 42 per cent.

The Barnham holding has been cut considerably, and dealings in the shares and options enabled the Trust to reduce the potential loss.

The Board is still of the opinion that a world-wide spread of Oil Shares, producing and exploration, is likely to prove as good a shield as any in these very difficult times.

NOTICE OF REDEMPTION To the Holders of Government of New Zealand Ten Year 7% Bonds due September 15, 1976

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has drawn by lot for redemption on September 15, 1976 at 100% of the principal amount thereof through operation of the Sinking Fund, \$980,000 principal amount of said Ten Year 7% Bonds due September 15, 1976 bearing the following distinctive numbers:

COUPON BONDS OF \$1,000									
M-8	563	1050	1459	1771	2291	2687	3491	4007	4993
564	1051	1460	1772	2292	2688	3492	4008	4994	5000
565	1052	1461	1773	2293	2689	3493	4009	4995	5001
566	1053	1462	1774	2294	2690	3494	4010	4996	5002
567	1054	1463	1775	2295	2691	3495	4011	4997	5003
568	1055	1464	1776	2296	2692	3496	4012	4998	5004
569	1056	1465	1777	2297	2693	3497	4013	4999	5005
570	1057	1466	1778	2298	2694	3498	4014	5000	5006
571	1058	1467	1779	2299	2695	3499	4015	5001	5007
572	1059	1468	1780	2300	2696	3500	4016	5002	5008
573	1060	1469	1781	2301	2697	3501	4017	5003	5009
574	1061	1470	1782	2302	2698	3502	4018	5004	5010
575	1062	1471	1783	2303	2699	3503	4019	5005	5011
576	1063	1472	1784	2304	2700	3504	4020	5006	5012
577	1064	1473	1785	2305	2701	3505	4021	5007	5013
578	1065	1474	1786	2306	2702	3506	4022	5008	5014
579	1066	1475	1787	2307	2703	3507	4023	5009	5015
580	1067	1476	1788	2308	2704	3508	4024	5010	5016
581	1068	1477	1789	2309	2705	3509	4025	5011	5017
582	1069	1478	1790	2310	2706	3510	4026	5012	5018
583	1070	1479	1791	2311	2707	3511	4027	5013	5019
584	1071	1480	1792	2312	2708	3512	4028	5014	5020
585	1072	1481	1793	2313	2709	3513	4029	5015	5021
586	1073	1482	1794	2314	2710	3514	4030	5016	5022
587	1074	1483	1795	2315	2711	3515	4031	5017	5023
588	1075	1484	1796	2316	2712	3516	4032	5018	5024
589	1076	1485	1797	2317	2713	3517	4033	5019	5025
590	1077	1486	1798	2318	2714	3518	4034	5020	5026
591	1078	1487	1799	2319	2715	3519	4035	5021	5027
592	1079	1488	1800	2320	2716	3520	4036	5022	5028
593	1080	1489	1801	2321	2717	3521	4037	5023	5029
594	1081	1490	1802	2322	2718	3522	4038	5024	5030
595	1082	1491	1803	2323	2719	3523	4039	5025	5031
596	1083	1492	1804	2324	2720	3524	4040	5026	5032
597	1084	1493	1805	2325	2721	3525	4041	5027	5033
598	1085	1494	1806	2326	2722	3526	4042	5028	5034
599	1086	1495	1807	2327	2723	3527	4043	5029	5035
600	1087	1496	1808	2328	2724	3528	4044	5030	5036
601	1088	1497	1809	2329	2725	3529	4045	5031	5037
602	1089	1498	1810	2330	2726	3530	4046	5032	5038
603	1090	1499	1811	2331	2727	3531	4047	5033	5039
604	1091	1500	1812	2332	2728	3532	4048	5034	5040
605	1092	1501	1813	2333	2729	3533	4049	5035	5041
606	1093	1502	1814	2334	2730	3534	4050	5036	5042
607	1094	1503	1815	2335	2731	3535	4051	5037	5043
608	1095	1504	1816	2336	2732	3536	4052	5038	5044
609	1096	1505	1817	2337	2733	3537	4053	5039	5045
610	1097	1506	1818	2338	2734	3538	4054	5040	5046
611	1098	1507	1819	2339	2735	3539	4055	5041	5047
612	1099	1508	1820	2340	2736	3540	4056	5042	5048
613	1100	1509	1821	2341	2737	3541	4057	5043	5049
614	1101	1510	1822	2342	2738	3542	4058	5044	5050
615	1102	1511	1823	2343	2739	3543	4059	5045	5051
616	1103	1512	1824	2344	2740	3544	4060	5046	5052
617	1104	1513	1825	2345	2741	3545	4061	5047	5053
618	1105	1514	1826	2346	2742	3546	4062	5048	5054
619	1106	1515	1827	2347	2743	3547	4063	5049	5055
620	1107	1516	1828	2348	2744	3548	4064	5050	5056
621	1108	1517	1829	2349	2745	3549	4065	5051	5057
622	1109	1518	1830	2350	2746	3550	4066	5052	5058
623	1110	1519	1831	2351	2747	3551	4067	5053	5059
624	1111	1520	1832	2352	2748	3552	4068	5054	5060
625	1112	1521	1833	2353	2749	3553	4069	5055	5061
626	1113	1522	1834	2354	2750	3554	4070	5056	5062
627	1114	1523	1835	2355	2751	3555	4071	5057	5063
628	1115	1524	1836	2356	2752	3556	4072	5058	5064
629	1116	1525	1837	2357	2753	3557	4073	5059	5065
630	1117	1526	1838	2358	2754	3558	4074	5060	5066
631	1118	1527	1839	2359	2755	3559	4075	5061	5067
632	1119	1528	1840	2360	2756	3560	4076	5062	5068
633	1120	1529	1841	2361	2757	3561	4077	5063	5069
634	1121	1530	1842	2362	2758	3562	4078	5064	5070
635	1122	1531	1843	2363	2759	3563	4079	5065	5071
636	1123	1532	1844	2364	2760	3564	4080	5066	5072
637	1124	1533	1845	2365	2761	3565	4081	5067	5073
638	1125	1534	1846	2366	2762	3566	4082	5068	5074
639	1126	1535	1847	2367	2763	3567	4083	5069	5075
640	1127	1536	1848	2368	2764	3568	4084	5070	5076
641	1128	1537	1849	2369	2765	3569	4085	5071	5077
642	1129	1538	1850	2370	2766	3570	4086	5072	5078
643	1130	1539	1851	2371	2767	3571	4087	5073	5079
644	1131	1540	1852	2372	2768	3572	4088	5074	5080
645	1132	1541	1853	2373	2769	3573	4089	5075	5081
646	1133	1542	1854	2374	2770	3574	4090	5076	5082
647	1134	1543	1855	2375	2771	3575	4091	5077	5083
648	1135	1544	1856	2376	2772	3576	4092	5078	5084
649	1136	1545	1857	2377	2773	3577	4093	5079	5085
650	1137	1546	1858	2378	2774	3578	4094	5080	5086
651	1138	1547	1859	2379	2775	3579	4095	5081	5087
652	1139	1548	1860	2380	2776	3580	4096	5082	5088
653	1140	1549	1861	2381	2777	3581	4097	5083	5089
654	1141	1550	1862	2382	2778	3582	4098	5084	5090
655	1142	1551	1863	2383	2779	3583	4099	5085	5091
656	1143	1552	1864	2384	2780	3584	4100	5086	5092
657	1144	1553	1865	2385	2781	3585	4101	5087	5093
658	1145	1554	1866	2386	2782	3586	4102	5088	5094
659	1146	1555	1867	2387	2783	3587	4103	5089	5095
660	1147	1556	1868	2388	2784	3588	4104	5090	5096
661	1148	1557	1869	2389	2785	3589	4105	5091	5097
662	1149	1558	1870	2390	2786	3590	4106	5092	5098
663	1150	1559	1871	2391	2787	3591	4107	5093	5099
664	1151	1560	1872	2392	2788	3592	4108	5094	5100
665	1152	1561	1873	2393	2789	3593	4109	5095	5101
666	1153	1562	1874	2394	2790	3594	4110	5096	5102
667	1154	1563	1875	2395	2791	3595	4111	5097	5103
668	1155	1564	1876	2396	2792	3596	4112	5098	5104
669	1156	1565	1877	2397	2793	3597	4113	5099	5105
670	1157	1566	1878	2398	2794	3598	4114	5100	5106
671	1158	1567	1879	2399	2795	3599	4115	5101	5107
672	1159	1568	1880	2400	2796	3600	4116	5102	5108
673	1160	1569	1881	2401	2797	3601	4117	5103	5109
674	1161	1570	1882	2402	2798	3602	4118	5104	5110
675	1162	1571	1883	2403	2799	3603	4119	5105	5111
676	1163	1572	1884	2404	2800	3604	4120	5106	5112
677	1164	1573	1885	2405	2801	3605	4121	5107	5113
678	1165	1574	1886	2406	2802	3606	4122	5108	5114
679	1166	1575	1887	2407	2803	3607	4123	5109	5115
680	1167	1576	1888	2408	2804	3608	4124	5110	5116
681	1168	1577	1889	2409	2805	3609	4125	5111	5117
682	1169	1578	1890	2410	2806	3610	4126	5112	5118
683	1170	1579	1891	2411	2807	3611	4127	5113	5119
684	1171	1580	1892	2412	2808	3612	4128	5114	5120
685	1172	1581	1893	2413	2809	3613	4129	5115	5121
686	1173	1582	1894	2414	2810	3614	4130	5116	5122
687	1174	1583	1895	2415	2811	3615	4131	5117	5123
688	1175	1584	1896	2416	2812	3616	4132	5118	5124
689	1176	1585	1897	2417	2813	3617	4133	5119	5125
690	1177	1586	1898	2418	2814	3618	4134	5120	5126
691	1178	1587	1899	2419	2815	3619	4135	5121	5127
692	1179	1588	1900	2420	2816	3620	4136	5122	5128
693	1180	1589	1901	2421	2817	3621	4137	5123	5129
694	1181	1590	1902	2422	2818	3622	4138	5124	5130
695	1182	1591	1903	2423	2819	3623	4139	5125	

OVERSEAS NEWS

Angolan fighting hits Zambia's copper exports

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

ZAMBIA HAS decided to find alternative routes for its copper exports following the spread of fighting to Lobito, the main Angolan port which has recently been taking some 45 per cent. of Zambia's copper exports. The decision, to seek alternative routes, which may involve the copper companies invoking force majeure on copper supplies, was the subject of urgent discussions in Lusaka yesterday.

Since Zambia's decision to close the border with Rhodesia in January, 1973, Lobito has assumed increasing importance as the major port of shipment for both imports and exports. Without doubt the current situation poses as serious an economic problem for Zambia as has been faced since the early days of Rhodesia's independence.

Top officials from government, the mining companies and the export and transport organisations were meeting in Lusaka yesterday to try to work out new routes. Mining industry sources said that the possibility of a declaration of force majeure on certain contracts could not be ruled out, although a statement was not expected last night.

The decision comes after weeks if not months of deterioration at Lobito port, in particular, but also on the Benguela railway, which runs through Angola and Zaire to connect with the Zambian system north of Lusaka. The decision is understandable if only because stockpiles of copper at Lobito and at various points along the Benguela railway amount to over 26,000 tonnes (a month's normal shipment at recent rates) and a strike of dock workers has added confusion to reported fighting in the town between two rival Angolan movements, the MPLA and Unita.

But Zambia is going to be extremely hard pressed to find alternative routes. In the last few months, Benguela was estimated to be carrying some 30,000 tonnes of copper a month from Zambia and about 10,000 tonnes a month from Zaire. Zambia's other main export route for copper is through Dar es Salaam, which, until completion of the Tanzam railway now expected early next year, has to be trucked north, but partly because of weaknesses in trucking capacity and partly because of congestion at Dar port there once again.

Libyan exile fled coup attempt

BY TANIA MATTHEWS

TUNIS, August 20.

A LEADING member of the Libyan Revolutionary Council, now in Tunisia, is believed to have fled here in connection with the reported attempted coup against President Muammar Khadaffi. Commandant Omar el Mohaichi, who was formerly in charge of the industry section in the Libyan Ministry of the Economy, is officially said to have fled to his Ministry staff with him.

According to diplomatic sources here a section of the Libyan Revolutionary Council allegedly disagreed with Col. Khadaffi's erratic policies and was at odds with him on several important issues, including Libya's radio and Press war against President Sadat of Egypt and Col. Khadaffi's alliance of Syria, Iraq and Iran in Arab countries. The attempted coup

is thought to have taken place on August 13. A month ago, Tunisian authorities discovered an arms depot in Doux, a desert town in the extreme south, and 20 Libyans were reportedly arrested by the Libyan authorities. But there was no official Tunisian confirmation of the reports of the arrests, which originated in Cairo.

Two travellers from Tripoli, the Libyan capital, who came to Tunis this week, spoke of an unusually large number of Libyan soldiers in the streets of Tripoli and youth demonstrations. They said the radio station and other government buildings in Tripoli were under heavy guard. One of them was prevented from leaving Tripoli Airport for 24 hours on August 13.

The Libyans have asked the

Smith sees Falls meeting as only signing ceremony

THE Rhodesian delegation at the Victoria Falls constitutional conference next Monday will not be prepared to revise or even discuss details of the "Pretoria Agreement" which set out the form of the talks, official sources said today.

Prime Minister Ian Smith is expected to take only a small delegation to the Falls—compared with the 12-man team the African National Council (ANC) is expected to field. He will probably fly to the Victoria Falls on Monday.

The formal session at Victoria Falls is regarded as no more than a "signing ceremony" at which both sides will agree to negotiate the sources said.

The Pretoria Agreement decreed that the committee stage

would be held in Rhodesia and the demand by the African Nationalists of the ANC for a full conference at the Falls was therefore not arguable, the sources said.

The Pretoria Agreement, reached after talks between the Rhodesian and South African Prime Ministers and a Zambian representative, was formally documented and had been agreed to by the four African Presidents engaged in Rhodesia peace attempts as well as the ANC, the sources said.

In Washington, President Ford will begin lobbying personally within the next few days for the re-imposition of the embargo on chrome imports from Rhodesia, a delegation of Black Congressmen said today. Reuters

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Bangladesh martial law may be retained

By Our Foreign Staff

RADIO BANGLADESH, mentioned in London reported yesterday that the state of martial law declared after Sheikh Mujibur Rahman was ousted in a coup last Friday may be retained for some or all of the country.

The new President, Mr. Ziaur Rahman, said according to the radio that "the constitution of the people's republic of Bangladesh shall continue to remain in force" — but subject to the proclamation and martial law regulations and orders issued under it. The President added that such regulations and orders "may provide for setting up special courts or tribunals to cope with offences under the constitution and laws."

The round the clock curfew which was imposed throughout the country immediately after the takeover has now been lifted from all but four cities — Dhaka, Narayanganj, Chittagong and Khulna. In these cities, the curfew is in force from 10 p.m. to 5 a.m. Essential services were not disrupted at all.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

TRANSPORT

All-aluminium rail coaches

A MAJOR contract worth Frs.1.2bn. (more than £120m.) to re-equip the French metro has been won by Alusuisse, the Swiss aluminium producer.

The contract will involve the construction of 1,000 all-aluminium coaches to replace obsolete equipment in the 4,000 strong fleet operated by the Régie Autonome des Transports Parisiens (RATP), and marks, according to Alusuisse, the first time that aluminium has been used to underpin steel in railway carriage construction.

The coaches will be built by Alusuisse's partner in the project, the French coach builder, Societe Franco-Belge. The first will be delivered in two years' time with the last going into service in 1980.

Aluminium starts with the disadvantage of being as much as three times as expensive as steel in this type of application but has emerged with a 30 per cent. price advantage over steel at the finished structure stage because of a sophisticated method of construction.

As well as reducing the initial capital expenditure, the use of lighter aluminium coaches is also expected to save the metro some 10 per cent. in energy costs.

The weight of the coach structure is 40 per cent. less than steel, though the weight of the finished train is only 8.5 per cent. less. This will still make it possible to save between 1,500 and 2,000 litres of fuel per year per coach. It is estimated that the special construction technique developed by Alusuisse, which Societe Franco-Belge will be using, takes advantage of the extrusion properties of aluminium which can be forced through a die into a shaped element of considerable length without breaking.

The dies developed by the company make it possible to form a side panel which will stretch the entire 25 metre length of the railway coach and contain its own interior structural support. The panels are equipped with tongue and groove so that they can be fitted to others to form the entire self-supporting sidewall of the vehicle, removing the need for

stiffeners. The coach floor is similarly constructed of interlinked extrusions which can be secured to the coach frame with only eight welds taking about one hour.

According to Alusuisse, a steel coach design would require welding corrugated floor sheet to about 25 cross-members after the cross-members had themselves first been welded into position—a procedure that would require about 500 tack welds and 20 hours of labour. About 500 hours in the construction of a single coach can be achieved, Alusuisse states.

Though not all types of railway wagon will be suitable for similar advanced assembly techniques, Alusuisse believes a big new market in railway transport will be opened up for aluminium as the system is developed.

The company is already a major supplier of materials to the railway authorities in Switzerland but here the use of aluminium has been determined by the need for lightweight vehicles to travel up steep inclines.

RHYS DAVID

THE DAY will presumably arrive when the functional specification is read into one end of a grey box and a completed printed circuit board layout will emerge at the other.

Then, with the assistance of engineers and draughtsmen, is needed, and a conscious attempt to keep them fully integrated into the design process is the basis of System Integral One recently announced by Quest Electronics and now said to be a Swiss electronics company.

Integral One is a combination of Quest Automation's interactive digitiser and a development of the Fides Domino program which in the U.K. is running on the 6800 series computers at ICA. Quest claims that it allows the layout designer to work in his usual way with pencil and paper and yet achieve 100 per cent. routed artwork together with properly drawn circuit and placement diagrams in a few days instead of weeks.

The system also produces photoplots and NC drilling tapes. Integral One essentially puts the interactive digitiser on line to the CAD system based on the CDC computer and Domino program.

In an example quoted by the

company the total manual design process took some 38 man-days with a further 36 man-days consumed in modifications caused by errors and design changes. Using Integral One the time was reduced to 26 man-hours, plus three for design change editing.

The system can cope with boards up to 317 x 508 mm, analogue or digital and in multi-layers if necessary. There is no limit to the number of components or the number of pins per component. Three axis orientation of the components is accommodated.

Since only one quarter of the total elapsed time on a job is used with the man operating the system, the station can support four draughtsmen, with a throughput of some 280 boards per annum. It is claimed that one man's throughput can be increased ten times.

The system is being made available on a bureau basis and further information can be obtained from Quest Automation, Ferndown Industrial Estate, Stobhill, Wimborne, Dorset BH21 7NP (0707 6111).

GEORGE CHARLISH

These surfaces are usually the internal walls of vessels fabricated from stainless steel. The majority of processing plant installed in the U.K. has now been mechanically polished internally.

Under a microscope, a mechanically achieved polished surface is shown to consist of millions of fine scratch marks into whose micro pores and cracks glutinous substances can readily adhere. This can prove particularly problematic when related to subsequent cleaning and rinsing operations.

An alternative, and probably more effective method of achieving the anti-stick qualities of the stainless steel surfaces is to employ electro-polishing. The electrochemical action of electro-polishing progressively eliminates micro roughness at the surface producing a smooth, uncontaminated finish.

A variety of processing vessels can be electro-polished in situ by specialist firms as Poligrat, P.O. Box 177, 30 Graham Street, Birmingham B1 3LP (021-266 1608).

Although it will usually prove cheaper to have this work carried out on completion of manufacture, if possible at the fabricator's works.

All surfaces coming into contact with sticky masses will require the improved non-stick action of electro-polishing and certain parts, which will ultimately be assembled inside the processing vessels, may have to be tested separately. This was the case when Poligrat recently electro-polished a long 4.5m. diameter stainless steel agitator shaft for installation in an electro-polished reactor vessel, throughput of 17.3 sq. metres.

The forming unit has a clamp tonnage of 100 tonnes and a plugging force of 12.5 tonnes with a depth of draw of 200 mm. Excess material is automatically trimmed at the edges so that the mately be assembled inside the processing vessels, may have to be tested separately. This was the case when Poligrat recently electro-polished a long 4.5m. diameter stainless steel agitator shaft for installation in an electro-polished reactor vessel, throughput of 17.3 sq. metres.

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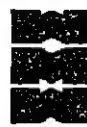
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Group Cost Accountant

Will report to the Corporate Controller and be responsible for project feasibility analyses, special costing exercises and for the analysis and interpretation of the Group's bi-weekly management information. Candidates should be qualified accountants, preferably ACMA, with a minimum of 6 years' experience in factory costing and manufacturing accounting operations. Reference MCS/1835.

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Will work with the Group Controller in developing the Group Accounting function for the food division. He will also establish a cash management function within the division. Candidates should be qualified accountants with a minimum of 5 years' experience in industry or as a field auditor in a manufacturing operation. Reference MCS/1837.

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مكتبة

HOME NEWS

British Leyland to stop production of Guy trucks

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND made its first model rationalisation move yesterday when it announced that it is to stop manufacturing its Guy range of trucks from the middle of next year.

Some 750 jobs are involved at the Guy plant in Wolverhampton, but the company has assured the men that there will be "little effect" on employment.

The plant is to continue as a centre for CKD kits (completely knocked down) for assembly overseas, and will become a component manufacturing unit for other factories in BL's bus and truck concerns.

Bus chassis are among its specialities, and the plant will also produce axles and other assemblies as they become necessary during the rationalisation programme.

Last year Guy produced some 2,000 trucks in the medium to heavy range, and took under 2 per cent of the U.K. market. Like its fellow BL marques Scania, Leyland, and the Guy, the company is one of the most celebrated in the British industry.

But Guy has been faced with the problem that its models overlap with others in the group. Its 32-ton "Big T" truck clashes with the Buffalo and Mandator (made at Leyland), and the Marathon (made at Southall, the AEC plant).

Now the truck and bus concern, under managing director Mr. Ron Ellis, a main Board director, has made the difficult decision to sever a name which has attracted considerable brand loyalty in the past.

The concern has been one of the more profitable areas of BL, never making a loss during the corporation's eight-year history. Many critics of the proposals made by Lord Ryder of the future of the company suggested that it should be hived off as a viable unit.

However, there is little doubt that it has been starved of funds since, as preference was given to the other divisions, that rationalisation has not gone

far or fast enough. Under the Ryder proposals, the company will get £500m. for investment in new plant, the development of an engineering facility, and test track, and for rationalisation.

In the long term the company is aiming to develop its separate plants—widely spread from Glasgow to London and Bristol—on a functional basis. Some will continue as assembly areas, and others concentrate on components.

It is thought that in broad terms the Scottish-based factories (Buchanan and Albion) will make the higher range of vehicles, Leyland in Lancashire, the medium range, and the Scammell and AEC factories the heavier vehicles.

At the same time BL has to continue the fight against imports. Until this year these have risen steadily in the U.K. market as the British industry found itself unable to supply—partly the result of under-investment, particularly at BL, the critics suggest.

So far this year the British share of the truck market over 34 tons has improved, but BL's penetration has gone down.

Wool textile £600,000 restructure

By Rhys David

ILLINGWORTH, MORRIS, the Yorkshire group which now controls a substantial portion of the U.K. wool textile industry, is to spend £600,000 on a re-organisation programme at its Huddersfield Fine Worsteds subsidiary.

The scheme, one of a number of moves the company has made this year to strengthen its position in the industry, will involve centralisation of production for four of its five worsted branches, Broadhead & Graves, Josiah France, Leroyd Bros, and Martin Stans, at two mills near Huddersfield, and Kirkstall, near Huddersfield.

The four branches will retain their independence and individuality in designing and marketing, and the re-organisation of production will enable them to maintain and improve their competitive position in world markets, the company states.

Following rationalisation the labour force is likely to be around 1,800. The company's announcement comes with some four months left for applications to be made for assistance under the Government's Industry Act scheme for the Wool Textile industry.

80 the Biba store looks like attitude is that if smaller premises can be found at a lower price, then Biba may go on trading.

If no alternative premises can be found, then as far as British Land is concerned, Biba may have to go out of business though the name will live on as a cosmetic brand.

Biba, in other words, has served its purpose: it has helped pay the bulk of the old Derry 31, 1975, came a terse statement from British Land saying that Biba was to close in the autumn to allow the necessary conversion to take place for the takeover of part of the Kensington High Street site by Marks and Spencer.

It was already known that Marks was going to occupy part of the site but the indications last month were that Biba would be able to continue trading in at least a small corner of its once bright empire.

Now the British Land management, with what it describes as a "queue of retailers waiting to take space alongside Marks, and Toms meant that it was perhaps able to live off its Biba's continued existence. The glorious past for far longer than

NEWS ANALYSIS—BIBA

Disposable as its clothes

BY ELINOR GOODMAN

had it been viewed as a self-contained profit centre. Even so, the possible demise of Biba, whose early success tempted so many other entrepreneurs into the boutique business, must send a nervous shiver through the spines of other businesses which depend for their profits on the fickle tastes of the under-25s.

Certainly it can be argued that the youth market is less likely to be hit by a recession than those fashion areas which depend for their custom on mortgage-aided married women. But fashion is, by its very nature, a high risk business. The denim market, for example, which was the big money maker of last year, looks as if it could be in for a bad time in 1976.

The ones to suffer, they say, will be the remaining independent operators which do not have the cash flow to cope with ever-increasing overheads and falling sales.

Like so many other retailers, the fashion trade sees rent and rates as the two biggest problems. Shops, which took out leases in the late 1960s, are now coming up to their seven-year rent reviews and facing rent increases of up to 400 or 500 per cent.

Obviously, such increases can undermine the profit base of previously healthy companies. Like Biba, therefore, a good many boutiques are going to have to learn a lot more about the hard facts of business life in the Mates chain, has 45 stores over the next few years.

There has already been a wave of going-out-of-business notices from the smaller groups which started out in the wake of Biba. Now most of the fashion shops trading in London's main shopping streets are owned by groups.

UNIT TRUST sales in July fell by £1.9m. on the month to £24.64m. while repurchases rose by £1m. to £12.04m. This resulted in net new investment last month of £12.60m, compared with £15.57m. in June, thus reversing the upward trend seen so far this year.

Unit trust sales fall in July to £24.64m.

BY ERIC SHORT

UNIT TRUST sales in July fell by £1.9m. on the month to £24.64m. while repurchases rose by £1m. to £12.04m. This resulted in net new investment last month of £12.60m, compared with £15.57m. in June, thus reversing the upward trend seen so far this year.

Leading groups in the industry confirm this fall in sales last month as far as their own trusts are concerned. They tend to attribute this relative quietness to several general factors, such as the time of year, the retrenchment in the equity market and a technical reaction to the buoyant sales over the first six months of the year.

All were agreed that there was no single significant factor to account for the decline, but were hopeful that the second half of the year would ultimately be as productive as the first, especially if the equity market picked up again.

However, compared with last year's figures the results for July look very promising. Net new investment was £12m. higher than the corresponding month in 1974, the higher sales than of £20.5m. being more than offset by the volume of repurchases at £10m.

The value of unit trust funds at end July amounted to £2,070m. and this figure looks much healthier than a year ago when it had declined to £1,680m. However, the effect of last year's loss of confidence is reflected in the number of unit holders' accounts.

First seven months of this year. Sales are running 58 per cent higher at £202m. while repurchases show only a marginal 2 per cent increase. This has resulted in a rise of 141 per cent in net new investment of £125m. compared with £82m. in the first seven months of 1974. Sales figures for July include the initial launches of National Westminster's Extra Income, the Leo Capital fund and the Curtil High Yield trust. There were no initial offers in June.

U.K. ECONOMIC INDICATORS

	1975	1974
General	July	June
Unfilled vac's	128.7	141.3
Unemployed	1,087.8	889.3
Current revs.	6,259	6,199
Wanf'd prds.	1970=100	1970=100
Bank advances	£bn.	£bn.
Retail prices	Jan. 74=100	Jan. 74=100
Wage rates	July 72=100	July 72=100

	1975	1974
Basic material's	1970=100	1970=100
Terms of trade	1970=100	1970=100
HP debt	£m.	£m.
Indust. output	1970=100	1970=100
Rtl. sales val.	1971=100	1971=100

	1975	1974
Trade and industry	July	June
Imports f.o.b.**	£bn.	£bn.
Exports f.o.b.**	£bn.	£bn.
Visible trade balance	£bn.	£bn.

	1975	1974
Comm. vehicles	June	May
Cars	June	May
TV sets	June	May
Radio trans.	June	May
Steel (weekly average)	June	May
Houses cmpl'd	June	May
Bricks	June	May
Cement (wkly. average)	June	May
Man-made fibres	June	May

	1975	1974
Furniture**	1970=100	1970=100
Petroleum	1970=100	1970=100
Raw cotton	1970=100	1970=100
Wool (wkly. average)	1970=100	1970=100

	1975	1974
Hosiery	1970=100	1970=100
Engrg. orders	1970=100	1970=100
Elg. cookers	1970=100	1970=100
Wash. machs.	1970=100	1970=100
Raw wool	1970=100	1970=100

	1975	1974
Machine tool	1970=100	1970=100
Consumer spending	1970 values	1970 values
Motor trade turnover	1972=100	1972=100

Production, Deliveries, Net sales, Consumption, Great Britain, not seasonally adjusted. Excluding car radios. Deliveries, U.K. made and imported sales, 6 From May, 1975, onwards new sector. Historical figures on new basis not available. Prices, including cooker grillers toasters. Value of output.

Inflation rate 'could fall to 10% by third quarter next year'

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

IF THE Government's counter-inflation policy is successful, the rate of inflation in the U.K. will be down to 10 per cent. by the third quarter of next year, according to forecasts produced by the Confederation of British Industry.

The rate of wage inflation is expected to be at 11 per cent. compared with the 25 per cent. the CBI's economic forecasters expected before the announcement of the counter-inflation policy.

But the CBI adds: "Although the success of the policy is assumed here, the role of market forces in reducing the rate of wage inflation should not be overlooked, and even in the absence of Government controls, some declaration would have been assumed because of the level of unemployment."

The CBI estimates that unemployment will reach 1.25m. by the third quarter of next year (excluding Northern Ireland and full-time students).

recessions: consumers may have lost some of their confidence that any falls in real income can be no more than a temporary aberration."

The CBI believes that the corporate sector's liquidity situation has improved, not because of any improvement in income but because of more extensive de-stocking and a greater reduction of the volume of fixed investment than had been expected when the Confederation's last estimates were produced.

The Government's pay policy should also help company liquidity and there should be some reduction of the very considerable burden of net short-term indebtedness.

"But that burden will remain so heavy as to serve as a significant constraint not only on the planning of fixed investment but also on current activity levels."

Britain's top secretary

"The most difficult part of being a secretary is maintaining an even temperament in front of the boss," says 27-year-old Mrs. Christina Eveleigh, who was yesterday nominated as Britain's top secretary by the London Chamber of Commerce and Industry.

She won her gold medal and £70 prizes by coming first in the one-year, part-time course for the private secretary's diploma, which fewer than half the 248 candidates passed. Graduates of the course can earn up to £4,000 a year.

Mrs. Eveleigh works for the Portsmouth Council as a public information assistant, having previously been a personal secretary on the council staff.

IN HIS broadcast last night the Prime Minister said: "For hundreds of thousands of British homes this autumn the shadow of unemployment is threatening standards each family has taken for granted for years past. Not only the breadwinners, but young people leaving school and seeking their first job, the course can earn up to £4,000 a year."

We all know the causes of this threat. The whole industrial world faces the most virulent trade and employment depression since the thirties. Until recently the loss of jobs here in Britain was smaller than in most other advanced countries, but now it is getting more grim each month. But until the expected up-turn in world trade, the outlook for employment is bleak.

A second reason is of much longer standing. Industry's failure over the past twenty years to invest in industry, new plant, machinery, factory buildings, industrial modernisation—under successive Governments. All of us, Government and industry included, share the responsibility.

But the third, the increasingly dominant factor, is the effect of inflation on the ability to provide jobs. Jobs for those established in industry, jobs for school leavers. While last year it was world factors as well as our own performance here in Britain that created the main trend—this year it has been almost entirely internal prices and costs, including pay, which have aggravated inflation, hit industry and hit the housewife.

It is cruelly unfair that the hardest hit of all are those least able to help themselves. The lowest paid, large families, the pensioner, the long-term sick, the disabled. The Government has duty to protect, we are protecting to the fullest extent in our power, some of the hardest hit. Protecting them by food subsidies. Protecting them by rent control, the help we have given on mortgages and rate and rent rebates and allowances. Later this year there will be a third increase in pensions and other social benefits—in 18

months. "But all the time, the protection is eroded, as pensions and other help are eaten into month by month by still higher prices."

We have tight price controls, but there is a limit to what can be safely done by price control. Price control which cuts manufacturers' and traders' profits to the bone can drive them into bankruptcy and cause further losses of jobs; that is one reason why we cannot just simply introduce a flat price freeze. There are still recent cost increases including recent pay settlements which have to work their way through and therefore some prices will have to rise. For example in public industries and services. It has been the policy of successive Governments to see that they pay their way with revenue from charges covering their costs.

All incomes. We must keep our industrial costs down, and this means all forms of pay, all incomes. There is no other way. There may be those who, by the use of their own industrial muscle, feel that they could get for themselves such a pay increase as to enable them to escape the rigours of inflation. In the short term, yes—at the expense of more unemployment, at the expense of millions weaker than themselves. In the long term, they delude even themselves, for they and their families have to face the lash-back of the inflation they generated by their own actions.

Paper and board output still depressed in first half

BY LORNE BARLING

PAPER and board production figures for the first half of the year showed no improvement in the seriously depressed market, although industry sources said demand had improved slightly in July, probably in anticipation of holiday shutdown at mills.

However, the industry believes that destocking of most grades has now nearly ended and this would explain the need for customers to buy in advance of the summer period. Slightly improved demand in Germany and the U.S. has also generated some limited optimism.

But the overall situation remains similar to the earlier part of this year and even the previously buoyant market for tissues has suffered. The kitchen towel and facial tissue sectors, although it remains the only grade in which production is up on the first six months of last year.

Packaging

Packaging board production was down by 31 per cent. in the six months compared to 1974, and Thomas Board Mills said its production in July reached 80 per cent of capacity compared to 70 per cent. earlier in the year.

There had been some evidence of the housewife trading down on food products and perhaps making more at home, but sales of frozen foods were apparently holding up well.

Overall paper production at 1,38m. tonnes was 22 per cent. down on the 1974 period, with food wrappings down 23 per cent., newspaper down 18 per

cent. and printings down 25 per cent. Household, toilet papers and tissues were up 4 per cent. and other tissues down 5 per cent. Total board production was down 28 per cent. in the six months at 435,100 tonnes, with packaging boards down 31 per cent. and industrial and special purpose boards down 15 per cent.

	June 1975	January-June 1975	June 1974
	5 weeks	26 weeks	6 mths.
	1975	1975	1974
	000	000	000
	Metric	Metric	Metric
	Tonnes	Tonnes	Tonnes

Newsprint	27.7	166.4	-18%
Printings and writings, papers and boards	62.7	472.7	-25%
Food wrappings	4.2	22.4	-29%
Kraft wrappings	12.8	74.7	-23%
Other wrappings and packing	68.2	365.0	-27%
Household, tissues	35.3	181.7	+4%
Other tissues	1.1	9.7	+8%
Industrial and special purpose papers	17.4	89.2	-31%
SUB TOTAL	249.4	1,382.0	-22%

Packaging boards	54.3	321.3	-31%
Boards for industrial and special purposes	20.4	93.3	-18%
Other boards	4.4	20.5	-20%
TOTAL BOARD	79.0	435.1	-28%
(excluding printing and building board)			
TOTAL PAPER AND BOARD (excluding building board)	328.4	1,817.1	+24%
Building Board	1.5	10.8	-13%
TOTAL PAPER, BOARD AND BUILDING BOARD	329.9	1,827.9	-24%

Totals do not always add due to rounding

Moonlighting coach drivers protest

BY CHRISTIAN TYLER, LABOUR STAFF

THE Transport and General Workers Union has made a vigorous protest about the employment of part-time or "moonlighting" coach drivers.

In a letter to Transport Minister Dr. John Gilbert, published yesterday, the TGWU calls for a public inquiry into what it calls "the extremely dangerous situation in which some 22,400 regular coach drivers are not full-time."

The letter, from Mr. Larry Smith, the union's national secretary for passenger transport, says that modern motor vehicles are "fully-trained, fully-employed" public service vehicle driver.

He said yesterday, the TGWU calls for a public inquiry into what it calls "the extremely dangerous situation in which some 22,400 regular coach drivers are not full-time."

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CONTRACTS AND TENDERS

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- A) 1 (one) JACK-UP DRILLING UNIT with maximum operating water depth in the range of 150 to 250 feet and rated for drilling wells down to 20,000-25,000 ft. Cantilevered type platform will be preferred.
- B) 2 (two) TENDER-ASSISTED RIGS with the following requirements:
- water depth up to 200 ft;
 - rated for drilling in the range of 14,000 to 18,000 ft;
 - equipped with flame tank;
 - skid frame designed to allow moves of 15 ft. lengthwise and crosswise;
 - operating on 20 ft. and 40 ft. skid-beams and on 40' x 40', 50' x 50' and 70' x 70' upper decks.

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Start-up: until January 1st, 1976.

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Companies will be invited to submit their proposals, after the selection made by PETROBRAS, based on the following documents:

- a) a list of services rendered in offshore operations;
- b) a list of equipments in operation, showing type, capacity and places where they have operated;
- c) technical specifications of the equipment to be offered, construction and/or reconconditioning year and availability.

These documents will be confidentially treated by PETROBRAS, and should be addressed until next September 5th to:

PETROLEO BRASILEIRO S.A.—PETROBRAS
DEPARTAMENTO DE EXPLORACAO E PRODUCAO
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Rio de Janeiro—RJ—20.000
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HOME NEWS

Benn brings pressure for oil platform orders

By ADRIAN HAMILTON

MR. ANTHONY WEDGWOOD, the Energy Secretary, has thrown his weight into a Government effort to get oil platform construction capacity to bring forward their orders for offshore oil and gas platforms.

In a letter, released yesterday, to all the operating companies with new discoveries, Mr. Wedgwood describes the capacity now built up in Britain to produce steel platforms, in make platforms and modules, and expresses the serious worries of contractors and unions about lack of continuity in ordering.

Urging the companies to "consider afresh your present ordering intentions," Mr. Benn asks them to detail their ordering intentions in reply, so that the Department of Energy can draw up a survey of the situation, partly for the use of the unions, and consider any initiatives that might be taken.

Bulk Scotch exports 'are jobs threat'

By Chris Saur, Scottish Correspondent

THE GENERAL and Municipal Workers Union yesterday expressed concern about the increasing export of bulk whisky to the United States and the damaging effect this was having on employment in Scottish bottling plants.

It has again asked the Scotch Whisky Association to impose a "stringent voluntary control" over the continued "export of Scotch jobs."

The union's organiser for the industry, Mr. George Robertson, said that while total exports to the U.S. in the 12 months to June had fallen by 9 per cent, exports in bulk had risen by 8 per cent.

The Scotch Whisky Association said that the trend to bulk exporting resulted from the U.S. tax discrimination which gave locally-bottled spirit a significant price advantage.

West Germany tops foreign goods poll for quality

FINANCIAL TIMES REPORTER

WHILE THE British consumer is people in Britain acknowledged being urged to buy British goods the quality of American goods—cars in particular—the British and that put the U.S. top of the list in the new survey organisation has been checked the U.S. has dropped to eighth place, only 25 per cent of inter-viewees mentioning it.

On average, Gallup discovered, the British consumer recognises at least five foreign countries as producers of high quality goods and nine out of 10 acknowledge the quality of goods produced abroad.

In 1960, when the first Gallup survey on this subject was carried out, the average was slightly higher. Whether the British have become more selective through familiarity, or slightly disillusioned through increased travel in the producer countries, is uncertain.

In the past 15 years, however, there have been changes in the British consumer attitudes to the different producer countries. In 1960, nearly two out of three among British consumers to dis-

Skytrain hope for British Airways

By Michael Donne

IT IS open to British Airways to make application for a "Skytrain" type of low-fare, no-reservations service on the North Atlantic air route at any time in the future it sees fit, according to Mr. Peter Shore, Secretary of State for Trade.

In a long written Parliamentary answer on his decision to ban the Laker Airways Skytrain plan as part of his civil aviation policy review, Mr. Shore says he is convinced the disadvantages of Skytrain as proposed by Laker had come to outweigh its advantages.

Leicester plant cuts work week

BRITISH UNITED Shoe Machinery has introduced a further cut in the working week at its main Leicester engineering plant because of the depression affecting the shoe industry.

Several hundred workers who have been on a 37-hour week since the start of May are now on a 33-hour week.

The move is a further blow to the Leicester area which has been badly affected by redundancies and short-time working in the knitwear and textile machinery industries.

BUSM, a major U.K. supplier of shoe machinery, blamed inflation and a slackening of order books for the cut-back in working hours.

The Prime Minister was yesterday urged to curb the imports of cheap goods from Asia and the Far East by Prof. John Butterfield, chairman of the East Midlands Economic Planning Council.

In a letter, he said any relief from the effects of cheap imports would help many hard-pressed traditional industries in the East Midlands.

Hallmarking up in Birmingham

THE NUMBER of articles hallmarked at Birmingham Assay Office during July totalled 613,290, of which 383,474 were gold, 248,611 silver and 205 platinum. The total was 23.6 per cent higher than in July 1974, but was the same as last January.

Gold articles increased by 18.3 per cent, and silver articles by 30.3 per cent.

Pilkington sets up joint glass fibre company

By KENNETH GOODING, INDUSTRIAL CORRESPONDENT

PILKINGTON Brothers has set up a joint company with Ferro Cement Corporation, Ohio, to exploit Cemil alkali-resistant glass fibre technology.

Pilkington claims that the use of Cemil fibres in glass-reinforced cement enables high-strength thin-section products to be made from cement.

"This opens up many new opportunities and makes glass-reinforced cement capable of supplanting traditional building materials such as concrete, timber, cast and sheet metal and asbestos cement," the company insists.

Ferro will be a major shareholder in the new company, Cemil Corporation, and has also been licensed by Pilkington to make Cemil fibres for the joint concern.

Cemil will then make and sell its own range of glass-reinforced cement products, using the Ferro-made fibres.

Ferro, a manufacturer of chemicals and materials including glass fibres for the plastics and ceramics industries, is the second company to take up a manufacturing licence for Pilkington alkali-resistant glass fibre, claimed to be the only commercially produced glass fibre capable of reinforcing the highly alkaline Portland cement.

Chemical concern fined under work safety Act

By OUR WOLVERHAMPTON CORRESPONDENT

AT A storage tank depot of a British chemical plant in a densely populated area, 15,000 gallons of highly inflammable methanol escaped through negligence, and 4,000 gallons leaked into drains in the Black Country town of Oldbury where it could have had devastating effects. This was made clear by factory inspector Mr. Russell Williams prosecuting British Industrial Plastics before Oldbury magistrates yesterday.

The company was the first to be proceeded against under a section of the Health and Safety at Work Act, 1974, which deals with the safety at work of employees.

Admitting three offences, including one under the new Act, the company was fined a total of £250. This included a fine of £250 for failing to comply with the new Act.

Mr. Williams, in an evident reference to the Ellixborough disaster said: "Recent events in this country have shown how vital and important it is to maintain a safe system." He added: "If this partly cleaned tank had caught fire, the results would have been devastating."

On behalf of the company, which admitted negligence, Mr. Terence Bird said that a Board of inquiry was set up at once to investigate the cause of the leak and to ensure that the same failings could never happen again.

The company admitted two offences of contravening regulations concerning highly inflammable liquids, and neglected petrol and gases, and also admitted contravention of Section Two of the Health and Safety at Work Act.

Menswear show to be at Birmingham centre

THE MENSWEAR Association of Britain's 1976 autumn exhibition will be held at the National Exhibition Centre, Birmingham, following an agreement with Industrial and Trade Fairs to form a joint company to promote the show. In future it will be called the Menswear Association of Britain International Fashion Fair (Mabif).

The exhibition this year is being held in Harrogate from September 21-24, with more than 300 manufacturers from 35 countries expected to take part. Selling at the exhibition will be allowed this year for the first time.

Marathon International Finance Company

4 1/2% Guaranteed Sinking Fund Debentures Due 1986
Convertible into the Common Stock of

Marathon Oil Company

(an Ohio Corporation)

Redemption Date: September 30, 1975

Conversion Privileges Expire: September 30, 1975

NOTICE IS HEREBY GIVEN that Marathon International Finance Company (the Company), a wholly-owned subsidiary of Marathon Oil Company, an Ohio corporation (Marathon), has elected to redeem, and will redeem, on September 30, 1975, the date fixed for redemption, all its outstanding 4 1/2% Guaranteed Sinking Fund Debentures Due 1986 (the Debentures) in accordance with the terms of the Indenture, dated as of March 1, 1966, among the Company, Marathon, as Guarantor, and The Chase Manhattan Bank (National Association) as Trustee, at the redemption price of 102 1/2% of their principal amount plus accrued interest from September 1, 1975, to the date fixed for redemption. Payment of the redemption price and accrued interest, which will aggregate \$1,023.63 for each \$1,000 principal amount of Debentures, will be made upon presentation and surrender of the Debentures, at the offices of the Company's Paying and Conversion Agents set forth below.

On August 8, 1975, \$25,000,000 principal amount of Debentures were outstanding and unconverted of which \$22,427,000 principal amount have been previously delivered to Marathon for conversion and have become Converted Debentures. The balance of the outstanding and unconverted Debentures in the principal amount of \$2,573,000 remain unconverted as of August 8, 1975. The Debentures are presently convertible into Common Stock of Marathon at the adjusted conversion price of \$31.50 (or approximately 31.75 shares of Common Stock for each \$1,000 principal amount of Debentures converted) after adjustment to reflect a two-for-one split of Marathon's issued Common Shares on December 29, 1967. The right to convert Debentures into Common Stock will expire at the close of business on September 30, 1975, the date fixed for redemption of the Debentures. On and after September 30, 1975, interest on the Debentures will cease to accrue.

The Debentures will no longer be outstanding after the date fixed for redemption, and all rights with respect thereto will cease as of the close of business on the date fixed for redemption, except only the right of the holders thereof to receive the redemption price and interest accrued to such date. Debentures presented for redemption must be accompanied by all unexpired interest coupons.

Debentureholders have, as alternatives to redemption, the right to sell their Debentures through usual brokerage facilities or, on or before the close of business on September 30, 1975, to convert such Debentures into the Common Stock of Marathon as hereinafter set forth.

CONVERSION OF DEBENTURES INTO COMMON STOCK

Marathon's Board of Directors has declared a quarterly cash dividend of \$4.55 per share payable on September 10, 1975 to holders of record of Common Stock on August 18, 1975. Debentureholders who surrender their Debentures for conversion after August 18, 1975 will not receive such dividend. However, debentureholders who surrender their Debentures for conversion on or after August 19, 1975 will receive the semiannual interest payment of \$22.50 per \$1,000 principal amount of Debentures which will be due and payable on September 1, 1975. No payment or adjustment will be made upon conversion of Debentures for interest accrued thereon after September 1, 1975. Debentures presented for conversion must be accompanied by all interest coupons maturing after the date of surrender.

The Debentures may be converted into the Common Stock of Marathon at a conversion price of \$31.50 per share (adjusted for the stock split), and each \$1,000 principal amount of Debentures will be convertible into approximately 31.75 shares of Common Stock. A holder who surrenders Debentures for conversion will receive a certificate for the full number of whole shares to which he is entitled. The conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the Company's Paying and Conversion Agents receive the Debentures surrendered as aforesaid for conversion. On such date the person or persons in whose name or names the certificate for shares of Common Stock shall be issuable or deliverable shall be deemed to have become the holder or holders of record of the shares represented thereby.

No fractional shares shall be issued upon conversion of any Debentures, but in lieu thereof the Company will pay in United States dollars an amount equal to the market value of such fractional share computed on the basis of the closing price of the Common Stock on the New York Stock Exchange on the last business day before the conversion date. Such right to convert Debentures into Common Stock will terminate at the close of business on September 30, 1975. If more than one Debenture shall be delivered for conversion at one time by the same holder, the number of full shares which shall be deliverable upon conversion shall be computed on the basis of the aggregate principal amount of Debentures so converted.

From January 1, 1975 through August 12, 1975, the prices at which the Common Stock of Marathon sold on the New York Stock Exchange ranged from a high of \$53.875 per share to a low of \$28.875 per share. The last reported sale price of the Common Stock on August 12, 1975 was \$48.75 per share. At such last sale price of Common Stock, the holder of \$1,000 principal amount of Debentures would receive upon conversion shares of Common Stock and cash for the fractional interest having an aggregate value of \$1,547.62, but such value is subject to change depending on changes in the market value of the Common Stock. So long as the market price of the Common Stock is \$32.25 or more per share, debentureholders upon conversion will receive Common Stock and cash in lieu of any fractional share having a greater market value than the cash which they would receive upon redemption.

Until the close of business on September 30, 1975, the date fixed for redemption, debentureholders have the right to convert their Debentures into shares of Common Stock of Marathon, upon presentation and surrender of Debentures at the Paying and Conversion Agents set forth below accompanied by all interest coupons maturing after the date of surrender, and written notice, which may be in the form of the Letter of Transmittal referred to below, that the holder elects to convert such Debentures, and stating the name or names (with address and in the case of persons subject to United States tax laws, their taxpayer identification number) in which the stock certificates are to be issued.

Presentation and surrender of Debentures to the Paying and Conversion Agents mentioned below after the close of business on September 30, 1975, regardless of instructions in any notice or in the Letter of Transmittal will result in the redemption of such Debentures at the redemption price of 102 1/2% of their principal amount together with accrued interest to September 30, 1975.

For the convenience of debentureholders, the Company has made available a Letter of Transmittal which may be used to accompany Debentures surrendered for conversion or redemption. Additional copies of the Letter of Transmittal may be obtained from the Paying and Conversion Agents at the addresses specified below.

IMPORTANT FACTS ABOUT REDEMPTION — PLEASE CAREFULLY NOTE

As described in detail above, based upon current prices, the market value of the Marathon Common Stock into which the Debentures are convertible is significantly greater than the amount of cash which would be received upon surrendering the Debentures for redemption. All rights to convert the Debentures into Marathon Common Stock expire on September 30, 1975.

Paying and Conversion Agents

The Chase Manhattan Bank, N.A.
Attn: Conversion Area
14th Floor
One New York Plaza
New York, N.Y. 10015

The Chase Manhattan Bank, N.A.
Taunusanlage 11
6 Frankfurt/Main 1, West Germany

The Chase Manhattan Bank, N.A.
Woodgate House
Coleman Street
London, England EC2P 2HD

Algemeine Bank Nederland N.V.
33 Vijzelstraat
Amsterdam, The Netherlands

Banque de Commerce, S.A.
51/52 Avenue des Arts
1040 Brussels, Belgium

Deutsche Bank AG
10-14 Grosse Gallienstrasse
Frankfurt/Main, West Germany

Banque Internationale a Luxembourg, S.A.
2 Boulevard Royal
Luxembourg, Luxembourg

Banca Nazionale del Lavoro
3 Piazza S. Fedele 20121
Milan, Italy

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offer is made only in the Prospectus, copies of which may be obtained from the offices of the Paying and Conversion Agents listed above.

MARATHON INTERNATIONAL FINANCE COMPANY

Dated: August 21, 1975

The Letter of Transmittal printed in this advertisement may be used to surrender Debentures for conversion or redemption.

PLEASE READ CAREFULLY THE IMPORTANT INSTRUCTIONS BELOW.

LETTER OF TRANSMITTAL

To Accompany
4 1/2% Guaranteed Sinking Fund Debentures Due 1986 of
MARATHON INTERNATIONAL FINANCE COMPANY
Convertible into Common Stock of and Unconditionally Guaranteed by
MARATHON OIL COMPANY
(an Ohio corporation)

Paying and Conversion Agents

TO (INDICATE CHOICE BY CHECKING ONE BOX):

☐ The Chase Manhattan Bank, N.A.
Attn: Conversion Area
14th Floor
One New York Plaza
New York, N.Y. 10015

☐ The Chase Manhattan Bank, N.A.
Taunusanlage 11
6 Frankfurt/Main 1, West Germany

☐ The Chase Manhattan Bank, N.A.
Woodgate House
Coleman Street
London, England EC2P 2HD

☐ The Chase Manhattan Bank, N.A.
41 rue Cambon
75001 Paris, France

☐ Algemeine Bank Nederland N.V.
33 Vijzelstraat
Amsterdam, The Netherlands

☐ Banque de Commerce, S.A.
51/52 Avenue des Arts
1040 Brussels, Belgium

☐ Deutsche Bank AG
10-14 Grosse Gallienstrasse
Frankfurt/Main, West Germany

☐ Banque Internationale a Luxembourg, S.A.
2 Boulevard Royal
Luxembourg, Luxembourg

☐ Banca Nazionale del Lavoro
3 Piazza S. Fedele 20121
Milan, Italy

If no choice is indicated, this Letter of Transmittal will be deemed to have been directed to whichever of the above first receives it.

Title No.	L/T	Date

Geatlemen:
Transmitted herewith are 4 1/2% Guaranteed Sinking Fund Debentures Due 1986 of Marathon International Finance Company (Convertible into Common Stock of and Unconditionally Guaranteed by Marathon Oil Company, an Ohio corporation), numbered as listed below.

Debenture Number(s)	Principal Amount

THE ABOVE DEBENTURES ARE SUBMITTED TO YOU FOR THE ACTION INDICATED BELOW:

INDICATE CHOICE BY CHECKING ONE BOX:

☐ Conversion into Common Stock of Marathon Oil Company, an Ohio corporation (the Company), at a conversion price specified in the Notice of Redemption. No fractional shares of Common Stock will be issued upon conversion, but if a conversion results in a fraction of a share, the Company will pay an amount in cash equal to the market value of such fractional share determined as set forth in the Notice of Redemption. The interest payment due September 1, 1975, in the amount of \$22.50 for each \$1,000 principal amount, will be paid on Debentures surrendered for conversion on or after August 19, 1975.

☐ Redemption by the Company at the redemption price of 102 1/2% of the principal amount thereof, plus accrued interest from September 1, 1975 in the amount of \$3.63, or a total of \$1,023.63 for each \$1,000 principal amount of Debentures.

If no choice is indicated, the above Debentures shall be deemed to have been surrendered for conversion into Common Stock.

Name	Address	Zip

Name	Address	Zip

Name	Address	Zip

Dated: 1975

In all cases where an instrument of transfer or this Letter of Transmittal is accepted by an officer of a corporation, an attorney, trustee, executor, administrator, guardian, or other fiduciary, the person so accepting must give his full title in such capacity. Proper evidence of such person's authority to act in such capacity and to sign such transfer or conversion must accompany the Debentures.

The method of delivery of the Debentures to the Company's Paying and Conversion Agents is at the option and risk of the holder, but if mail delivery is used, registered mail (insured) is suggested.

DO NOT WRITE BELOW THIS LINE

Date Received	Debenture(s)	Surrendered by	Checked by

Principal Amount of Debentures Surrendered	Shares Issuable	Amount of Cash

Shares Issued	Redemption Price

Shares Issued	Redemption Price

Shares Issued	Redemption Price

If you wish to convert your Debentures, your Debentures must be received by one of the above-listed offices prior to the close of business on September 30, 1975. Debentures surrendered after such date will result in the redemption of such Debentures at the redemption price of 102 1/2% of the principal amount thereof, plus accrued interest from September 1, 1975 to September 30, 1975.

LABOUR NEWS

Murray insists on right to demand full £6

BY JOHN ELLIOTT, LABOUR EDITOR

THE CAREFULLY constructed accord between the Government and the TUC over the new pay policy showed its first sign of cracking yesterday when Mr. Len Murray, TUC general secretary, condemned the Government's claim that employers need not pay the full £6 pay limit.

Speaking only a few hours before the Prime Minister appealed last night to the nation to back the policy, Mr. Murray stressed that unions should "seek" the full £6 from employers. As he added, "the word seek implies get."

This clashed sharply with the newspaper advertisements which launched the Government anti-

inflation campaign yesterday and which warned: "The £6 is intended as a maximum—and not an automatic rise for everyone. Some firms may not be able to afford the £6."

Generally, Mr. Murray thought the Government's "cool and informative" policy was "cool and informative." They do not make people's blood curdle or flesh creep. But on the idea that employers could, without Government backing, offer less than £6, he declared: "I hope employers will not try to go down that road. I hope unions will press for £6 universal flat."

Mr. Murray and other union leaders such as Mr. Jack Jones of the Transport Workers, and

the General and Municipal Workers leadership, have been stressing this line, with the implicit suggestion that they would be prepared to back the £6 claims with strikes.

Yesterday Mr. Murray said he would try to settle for less than £6 even though they offer less at the start of negotiations. He also appeared to suggest, without spelling it out, that the Government might have to consider subsidising companies so that they could afford the full amount.

But the general tenor of his remarks, coming on the first day of the Government's campaign and at a time when employers in the textile industry and elsewhere are offering less than £6, shows how easy it would be for the Government and the TUC to fall out over implementation of the policy.

Mr. Murray was speaking after the monthly meeting of the TUC general council which decided to go ahead with a monitoring system for pay rises, as agreed by its economic committee last week. During the next few days, unions will receive notification from the TUC about how it intends to operate the monitoring system which will cover pay settlements but not claims.

Prices and unemployment are also to be monitored and will be carried out jointly with the Government and the CBI. The National Economic Development Council might also be involved in assessing the implications of the statistics collected.

The TUC yesterday also launched a special issue of its broadsheet "Labour" explaining the policy and stating: "£6 tough but fair enough this year."

Swan Hunter rise hopes dashed

BY JOHN WYLES, LABOUR REPORTER

LEADERS OF 5,000 outstripping and auxiliary workers whose six week strike has halted Swan Hunter's Tyne shipyards will be told today that the Government's interpretation of its anti-inflation policy rules out any settlement of their demands for interim pay rises.

This means that a mass meeting of the strikers planned for Saturday will be faced with the prospect of returning to work with no extra money or staging a prolonged challenge to the Government's policy.

In breach

At a meeting in London yesterday, the Department of Employment officials gave Swan Hunter management and national union officials their interpretation of the £6 policy, and effectively dashed union hopes that negotiations on some sort of interim pay deal were still possible.

The Department's stress on the importance of the rule that there must be a 12-month gap between pay deals left management and unions in no doubt that a settlement of the strikers' claim for interim rises of £10.30 a week by next January would be in breach of the pay policy. This means that the strikers must wait until their annual payment date next January before they can have more money and their negotiations then will be subject to the £6 limit.

Mr. Ken Baker, national officer of the main union involved, the

General and Municipal Workers, now faces the difficult task of reminding his union's shop stewards of the GMWU's support for the £6 policy and spelling out the alternatives facing the strikers.

With 3,000 members among the strikers, the GMWU stewards' response to this line could determine the future of the stoppage. But their eventual decision may also be tempered by the fact that none of the other five unions involved in putting the same effort into winning the voluntary support of its Swan Hunter members for the Government's policy. At least two of the unions, the Amalgamated Union of Engineering Workers and the National Union of Sheetmetal Workers, are actively opposed to the £6 limit.

Shah report denied

After yesterday's meeting Mr. Tom Mervier, Swan Hunter's chairman, denied reports that the Shah of Iran was so concerned about the company's relations with the unions that he was opposed to placing a £250m order with the Tyne yards. "We have nothing but the best relations with the Iranians," he said.

Nevertheless, concern at the deterioration in industrial relations in the yards has led management to agree to a suggestion from the unions for some kind of investigation into the general problems.

July 11 deadline affects local steel wage deals

BY CHRISTIAN TYLER, LABOUR STAFF

THOUSANDS OF steelworkers have been told by the British Steel Corporation that local wage agreements not settled by the July 11 date will be subject to the £6-a-week pay limit.

According to a steel union leader, this means that for many workers payments of up to £4.00 a week will have to be taken as an "advance" on next year's £6, while other steelworkers escape the policy not because they struck their local agreements before July 11.

It is customary in the industry for local agreements to follow bargaining at national level. But because there are no set dates

for local bargaining, separate negotiations at different steelworks have fallen either side of the July 11 date.

The corporation's ruling is being hotly contested by the Iron and Steel Trades Confederation, the industry's biggest union.

Mr. Bill Biss, ISTC general secretary, said yesterday that there was an obvious anomaly since South Wales workers who had concluded deals at the time would escape while workers in the North-East, Scotland and elsewhere would be limited.

He argued that any agreement signed before August 1—general starting point of the new policy—should escape the £6 limit.

Corah studies union plea against plant closure

FINANCIAL TIMES REPORTER

CORAH, the Leicester-based knitwear manufacturer and major supplier to Marks and Spencer, is considering a plea for help to delay the implementation of its plan to close its factory in the town of Leicester, he said.

This promise follows a meeting between senior union officials and Mr. John Fry, managing director of Corah, on Tuesday. Workers from the Welsh factory had earlier made a trip to Leicester and carried out peaceful picketing at the main factory.

Mr. Alec Smith, assistant general secretary of the NUTGW, expressed concern over social effects of putting almost 400 people out of work in an area which already has very high unemployment.

"We have asked Corah for breathing space to delay the implementation of their plan to close the factory in Leicester in order that we can extend the possibility of maintaining employment prospects in the Abercrombie area," he said.

Mr. Smith says the hosiery workers wanted the factory used for knitwear, but would still be happy to see the premises, which are only rented by Corah, used to provide work for 400 people.

Already the NUTGW is trying to find an employer who could take over the factory and provide jobs for Abercrombie people. Mr. Smith says it is used as a wholesale discount centre employing only 50 people, as proposed by Corah. Mr. Fry expects to give his answer to the union later this week.

Birmingham papers: new threat

BY OUR LABOUR REPORTER

JOURNALISTS involved in the bitter six-week pay dispute at the Birmingham Post and Evening Mail claimed yesterday that publication of the two newspapers could be halted in less than a week because of supporting action by members of a printing union.

Members of the National Society of Operative Printers, Graphical and Media Personnel have decided to "black" supplies of newspaper delivered across the journalists' picket lines by non-union drivers. A spokesman for the National Union of Journalists' chapel (office branch) committee in Birmingham, claimed yesterday that with this embargo newspaper supplies would run out "in less than a week."

This was because local leaders of the Transport and General Workers Union are supporting

the journalists, and management has had to rely increasingly on non-union drivers to deliver newspaper.

Apart from a token stoppage by members of the National Graphical Association three weeks ago, the NATSOPA "black" is the first concrete action by the journalists by the print unions.

While NATSOPA's move has been welcomed by the NUJ chapel, it was pointed out yesterday that the printing unions were still handling stories written by non-NUJ members and other senior editorial staff who have been producing the two newspapers since the dispute began.

It remains to be seen whether the NATSOPA "black" has any impact on the continuing moves by the Advisory Conciliation and Arbitration Service to

encourage both sides to reach a peace formula.

Peace talks are still bogged down on the question of arbitration on the journalists' claim for payment for the six weeks since they were dismissed for taking industrial action in support of a pay claim.

Conciliation talks have been further complicated by the journalists' insistence on clarification on a number of other points, including management's call for 20 voluntary redundancies.

They also want assurances on the future of the Birmingham Post, whose publication has been reduced from six to five days a week during the dispute.

ACAS officials are fresh suggestions to both sides yesterday but no further meeting of the two sides has yet been arranged.

Knitwear plant opens books to union

UNION officials are to inspect the order books of a Courtlaids group knitwear factory which is to be closed in the near future, it was claimed yesterday.

UNION officials are to inspect the order books of a Courtlaids group knitwear factory which is to be closed in the near future, it was claimed yesterday. The National Union of Hosiery and Knitwear Workers will also be able to find out the cash flow situation at the factory—the Morley division of Meridian, at Heanor, Derbyshire.

The Department of Employment has cleared the increase—of up to 20 per cent. on annual allowances ranging to £400 or more—for most of the public sector. But the Department of the Environment has at the same time reassured local councils the need to keep their spending down.

Under the normal system about two-thirds of the £18m. would be met by rate support grant, but a third would have to come directly from the rate payer.

About 1m. public sector workers in the capital stand to profit from any initiative by the Civil Service Department. Another 1m. are thought to be eligible in the private sector—but their payments are in any case well removed from public scrutiny.

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THURSDAY, AUGUST 21, 1975

Recession is biting

THE DEPARTMENT of Employment's latest statistics about basic wage rates and earnings confirm what already seemed likely, that the slackening of business activity is now having a marked effect on the level of real disposable incomes and on personal consumption spending. So far as basic wage rates for manual workers are concerned, the index rose considerably less in July than in the two preceding months, with the result that the year-on-year percentage increase in basic wage rates, both weekly and hourly, is the smallest since last February, though still above 30 per cent.

But these figures tend to fluctuate erratically from month to month according to the number and size of wage settlements which take place and are, moreover, liable to subsequent revision when pay settlements are back-dated. They apply only to manual workers and do not bear any fixed relationship to the amount which manual workers actually earn from time to time. The index of average earnings, though published a month later than the index of basic wage rates, has a wider coverage, is seasonally adjusted, and gives a far better reflection of the way in which personal incomes before tax are moving. The latest figure, for June, shows a slightly faster increase on the month than for several months past—but it is the year-on-year comparison which is most striking.

Purchasing power

The year-on-year rise in earnings has been lagging well behind the increase in basic wage rates, largely because of a drop in overtime working and an increase in short-time working. The year-on-year comparison for June, however, shows a sharp drop in the increase to 28.4 per cent. This is largely a result of the fact that at this time in 1974, with threshold screemings coming into full operation, earnings were rising particularly fast; for the same reason, the year-on-year increase in earnings may well continue to decelerate for another couple of months. The points to notice are first, that this deceleration is largely due to the Government's general economic measures and the state of world

The Communists can be losers

IT IS MORE than a month now since the Socialist Parties walked out of the Portuguese Government. They left because they believed there could be no guarantee of democracy under the present system, despite the fact that the two parties between them had won more than 80 per cent of the vote in the elections to the Constituent Assembly in April. In so far as their move was tactical, designed to draw attention to the way things were going, it has succeeded beyond expectations. The situation in Portugal to-day is quite different from that of a month ago; the Communists are under open and persistent attack, especially in the north of the country, and the Armed Forces Movement (AFM) is publicly divided.

Transition

The change reflects what was always suspected: namely, that the bulk of the Portuguese people do not want to succumb to a left-wing dictatorship—hence their vote, and the high turnout, in the April election; and that the majority of the military could not conceivably be hard line Marxists. The situation, however, is still transitional. There has been a swing away from the left and some disintegration of the military leadership, but nothing very much has arisen in its place. Even the pro-Communist General Goncalves, the principal butt of the Socialist's criticism, is still just hanging on as Prime Minister.

Much of the most interesting comment on what is going on, or indeed is coming from Portugal itself, but from abroad. Ever since the Helsinki conference last month the Americans and the Russians have been warning each other against intervention in Portuguese affairs, until the extent of the opposition in part may be no more than an attempt to use the Helsinki documents, whose phrases are ambiguous, to their own advantage, but it probably also reflects a changing appreciation of events on the ground. Until a

Getting the telephone system off the financial bleep

By HAROLD BOLTER, Industrial Editor

THE Price Commission has now accepted that the Post Office should be allowed to increase its charges this autumn by an effective £284m. in the current financial year, with £230m. of this burden falling on subscribers to the telecommunications service. The Commission made its decision despite an unusually strident protest from Lord Piddie's Post Office Users' National Council (POUNC). Although the Government could still decide to lessen the impact of the P.O.'s proposals in its efforts to contain the cost-of-living, the probability is that the increases will be introduced virtually unchanged. The only possible solution to be found in the situation is that a further price rise now may just enable the P.O. to make telecommunications viable again after the financial difficulties of the last three years.

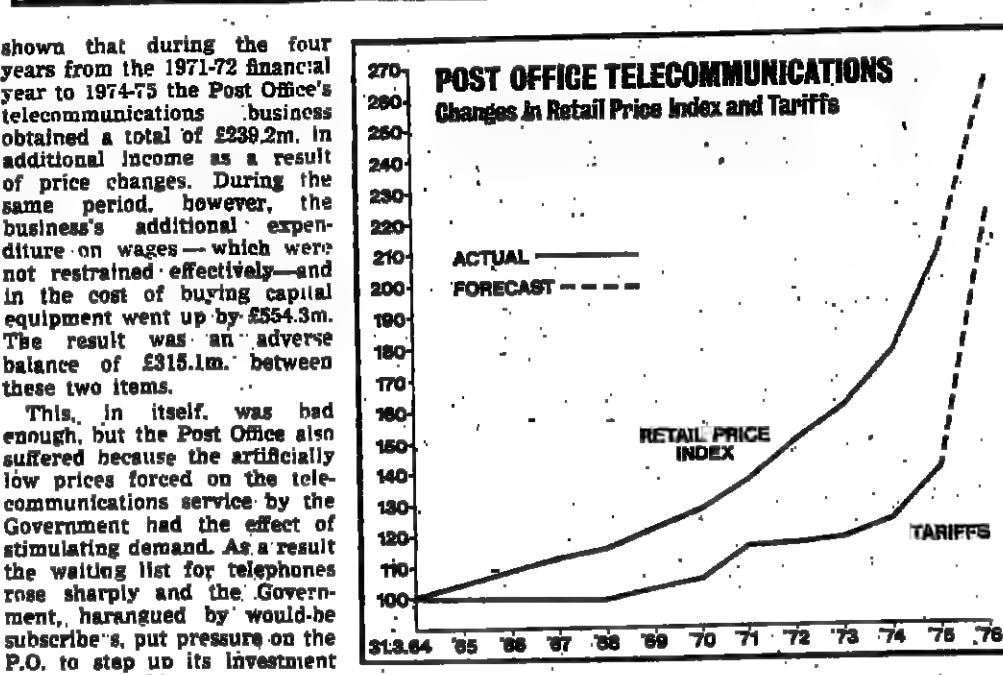
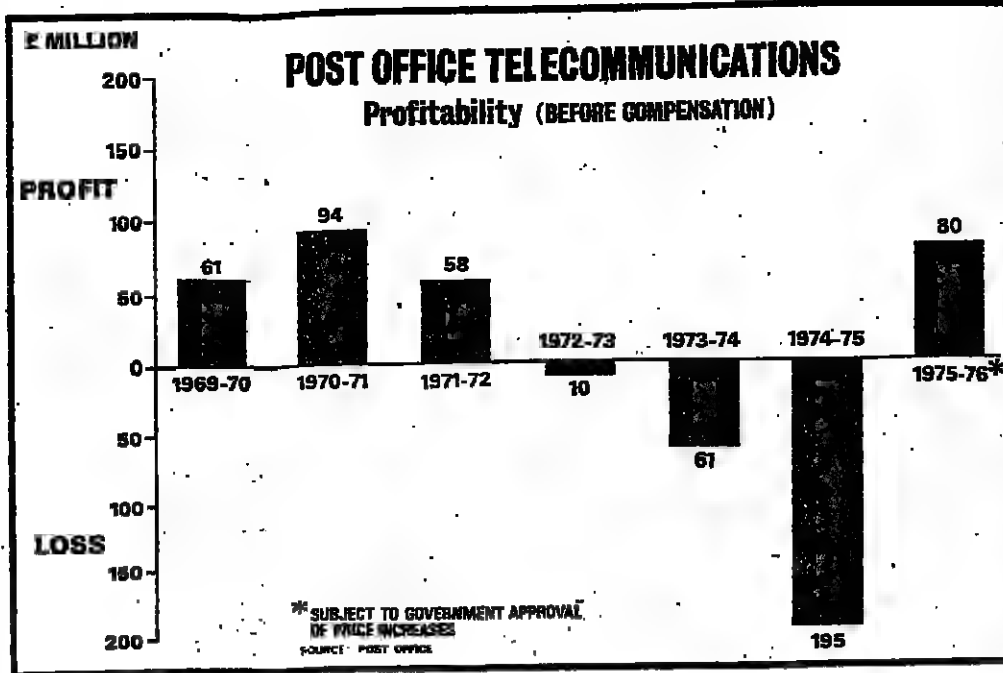
Unlike the postal side of its business, which has lost money consistently since 1968, the telecommunications service stayed in surplus until the end of the 1971-72 financial year, when it turned in a profit of £58m. But that year, according to Sir William Ryland, the Post Office's heavily criticised chairman, marked a significant turning point in its fortunes.

Until then telecommunications had been achieving the target set for it of an 8 per cent. return on net assets by successive Governments, and there was even talk of using some of its profits to subsidise postal losses. The business looked healthy enough for the Government of the day to suggest that the P.O. should move to a 10 per cent. return, which would have enabled it to cover at least half, and perhaps even 80 per cent. of the cost of its extensive investment programme from its own resources.

Distortions still felt

By the second half of 1971, Sir William (then still Mr. Ryland and now to the job of chairman) found himself caught up in the strait-jacket imposed "voluntarily" on the nationalised industries as part of the Confederation of British Industry's price restraint initiative. The acceptance of the CBI policy cost the Post Office something like £100m. in lost revenue, but more than that it led to distortions which are still being felt within the P.O. These distortions were obviously intensified by the statutory price controls which followed the CBI's voluntary, and abortive, attempt to control inflation.

At its simplest it can be



allowed to do so through the National Loans Fund and then, because of the Treasury's view that its borrowings must be related to the average life of its assets, only at long-term rates which have risen from around 11 per cent. five years ago to 18 per cent. It is only recently that the P.O. has been permitted to hold a proportion of medium-term borrowings, at lower interest rates. The present external borrowing level of the telecommunications service stands at £230m., compared with £192m. at the end of 1971-72 while its capital charges (net of pay and price changes) have risen from £24.5m. to £73.8m. in the same period.

Borrowed capital

As it was losing money by then, the telecommunications business was forced to borrow the capital it needed to meet the Government's demand for new telephone lines. But it was only

costs, a high figure for an industry which is based squarely on technology, unlike the postal side of the P.O. operation. Sir William is hopeful that this point has been taken at last and the talks now under way between the Post Office management and the unions with members in telecommunications will lead to significant manpower savings. The P.O. has already stopped recruiting and in the current discussions the two sides are also studying the possibility of introducing an early retirement scheme.

One of the advantages which the Post Office Board has in trying to persuade the unions to accept change is that it can show very clearly that although the telecommunications service has many problems it is still essentially a growth industry with a future which is far more secure than, say, the P.O.'s postal and parcels operations.

Although it is estimated that the proposed increases will add an average 28 per cent. to private telephone bills and 40 per cent. to business bills, the averages conceal much higher rises where the Post Office is obviously intent on steering telephone traffic in new directions. Broadly, it is asking for permission to raise its cheapest 1.5p tariff for dialled calls to 3p, allowing subscribers the same amount of time for calls as at present. But where callers go through the operator they will have to pay 12p for three minutes during standard periods if the P.O. has its way, compared with 3.6p for three minutes now. This theme of encouraging people to dial calls wherever possible runs right through the proposed new tariff scales and there is also a suggestion that charges for telegrams should more than double.

All this has been too much for POUNC which told the Price Commission that it did not believe that the new price of a telephone call should exceed 2.5p, as part of a package of suggestions aimed at reducing the Post Office's potential for increased revenue during the present financial year from £300m. to £100m.

The problem with this argument by POUNC, although it obviously gained a lot of popular support, was that if it had been accepted by the Commission and the Government the P.O. would end 1975-76 with a deficit well in excess of the £70m. loss for which the Government says that it is prepared to compensate the Post Office. And, as far as the telecommunications business in particular was concerned, the £230m. of tariff increases now being sought would yield a profit on turnover within the 2 per cent. permitted by the Price Code.

The Price Commission had little choice but to approve the Post Office's proposals, therefore, unpalatable as the increases in telephone and other telecommunications charges, the first-class postal rate will almost certainly go up to 8p (a rise of 21 per cent.) and the second class rate to 6p (up 18 per cent.), with a 30 per cent. rise in parcel post tariffs. The Government may still decide to hold an inquiry into the Post Office's affairs, however, according to Conservative and POUNC demands. Only then, perhaps, will it be possible to apportion blame for the sorry state of the P.O.'s affairs between the Government and the P.O. management. It is easy to see why, ment.

Progressive Securities Investment Trust Limited

Statement by the Chairman

Group revenue for the year ended 31st March, 1975 was £145,423 compared with £136,068 for the previous year; net revenue after tax was £63,790 (£56,105). This result is due to a larger amount earned on the mining investments and to a larger amount earned on deposits. In consequence I am pleased to be able to recommend a further increase in dividend payment making a total for the year of 4.50p (3.75p). After making this payment the surplus available for revenue reserve was £13,328 (£15,977). Net assets before deducting loan capital at 31st March, 1975 were £2,563,552 (£2,807,749). Net assets per share after adjustment for loan capital were 22.1p (24.5p); this decline of 8.8% compares with the following movements in the leading indices during the same period: F.T. Industrial Ordinary Index—plus 4.8%, F.T. All-Share Index—minus 2.1%, F.T. Gold Mines Index—plus 5.4%, Dow Jones Industrial Index—minus 3.3%.

The growth of net assets employed by your company to £2,513,552 has led us to examine our issued share capital which amounts to £280,343. Such a differential is perhaps too great and it is therefore proposed to increase the nominal capital to £1,500,000 and to issue by way of capitalisation of reserves, three new shares for each existing share held and then to consolidate every two shares of 25p held into one share of 50p. This will also give the company's shares trustee status under the 1961 Act and should improve marketability. It should not be taken to imply that the amount which may be distributed by way of dividend in future will be increased.

As at the 30th June, 1975 the geographical breakdown of our investments, with year-end figures in parentheses, was as follows:

United Kingdom	11.83	(3.99)
Europe	12.20	(1.53)
Australasia and Far East	2.26	(1.47)
U.S.A.	51.46	(7.73)
South Africa	22.25	(8.28)

You will see from the above that since the year-end we have substantially reduced the gold mining content of our portfolio and have increased the proportion invested in America and Europe. This is a major change of policy. In March 1972, when our break-up value was 197p, the F.T. Industrial Ordinary Index stood at 509 and the Dow Jones Industrial Index at 940.70. It was at this time that we started to increase the gold mining content of our portfolio to a level which amounted at this financial year-end of our portfolio to a result, our break-up value at 31st March, 1975 is 22.1p—an increase over the last three years of 13.7% against comparative falls of 44.9% and 18.3% respectively in the above two indices. Earlier this year I again visited South Africa which caused me to recommend the change of policy mentioned above. Although there is probably little doubt that the price of gold will ultimately rise from its present level, it is not certain that this will occur soon enough to compensate for the continued rise in costs facing the South African gold mining industry. Costs are rising more rapidly than in other sectors of South African industry as the mining firms find themselves in the front line in their endeavours to improve the general living standards of their employees. Despite progress made towards more advanced mechanisation, only a really substantial and sustained upward movement in the gold price can produce a level of profitability to justify higher share prices. In America, whether Republican or Democrat, employed or unemployed, black or white, few raise their voices against the maintenance of the present free enterprise system. No matter how complex the immediate problems may appear, Wall Street must be a major beneficiary of the eventual recovery in economic activity throughout the western world. It is for this reason that, apart from some investments in Germany and the Netherlands, we are in the process of increasing our investments in the United States of America.

MEN AND MATTERS

Fodens' three families

With the resignation of 74-year-old James Foden, the Foden voice in the Cheshire-based company's Boardroom has been reduced by a third. At the same time the departure of Edwin Twemlow, 68, has clipped back the Twemlow voting power by 50 per cent. And as the City inspired rescue operation for the lorry company gets under way, with the appointment of three new directors from outside (including a non-executive chairman), the "family" figures in the Boardroom will be almost outnumbered.

But not quite. Fodens is quite unusual among family companies in that it has more than one family at the helm, having had three for a long time. To-day, two of the directors carry the Foden name. William, 45, chief executive and former joint managing director, and David, 39, and William's cousin. David Foden is a joint managing director along with Patrick Twemlow, 36. But making up the family picture—and giving the extra vote to balance the new appointees—is John Stubbs, 43 and non-executive, but a son of the last chairman.

What is unusual is that representatives of the three families have been running the company through an extraordinary power-sharing "triumvirate" of managing directors for the last three generations. Over the years this has worked remarkably well, says Bill Foden. "There has not been a major dispute in the Boardroom since the 1920s," he insists. It was then, of course, that the celebrated split took place which led to the establishment of ERF (E. R. Foden was the one who left) just up the road from Fodens' factory at Sandbach.

Some three years ago, there

was another significant upheaval ("not a row") when the present "triumvirate"—Bill and David Foden, and Patrick Twemlow—came to the fore. They had been bred in Boardroom ways by another extraordinary Foden system—an arrangement which gives some directors Boardroom status, but no voting power.

The new men took their initiative because they felt the company was too conservative and not expanding fast enough to face up to the threat of imports. Expansion, of course, brought finance problems, Government intervention, and now the City rescue effort. The old triumvirate, Bill Foden reflects ruefully, "would not have done the expansion as we did it. Now we are getting blamed for getting caught, but a lot of other companies were caught at well."

Nothing but The Truth

Rupert Murdoch seems to have lost none of his zest for the hurly burly of the Australian newspaper scene in spite of controlling the Sun and the News of the World in the U.K., not to mention his ambitious project in the United States to get a nationwide weekly tabloid—the National Star—off the ground. Murdoch is currently out in Australia revamping a Melbourne based paper called The Truth in order to take advantage of strike action in the printing and kindred trades which is severely restricting publication of the main Melbourne papers—the Sun, the Age, and the evening paper The Herald. The Truth, disparagingly described by competitors as a twice weekly scandal sheet is now appearing as the Daily Truth with morning and afternoon editions and a content geared more to a whole

family readership than its predecessor.

The rival proprietors, with the Melbourne Herald Group to the fore, have quite enough on their hands without what they must consider to be this sort of ungentlemanly competition since the strike-action is being fought by both sides with uncompromising fervour. Journalists are working normally and other production functions are being performed by management in order to get even a restricted run onto the streets. A Herald-Sun delivery truck driven by the group chief accountant accompanied by the finance manager was actually shot at—shattering both side windows but fortunately missing both occupants. To even up the balance a picket attempting to stop another lorry was carried some half a mile at some speed before he could get off.

Carving on

Perhaps this is a measure of the extent of London's restaurant recession. One of the famous names, the Caprice, off Piccadilly, has been sold for around a modest £30,000 to a company backed principally by a local authority construction contractor, and has reopened after seven months as a "carving room."

The Caprice was originally owned by Epicure Holdings (part of Sir Denys Lawson's interests) and was identified for many a year with Mario Gallati, president of Epicure until his death earlier this year. The smallest of Epicure's three London restaurants, the Caprice suffered particularly from what the group reckoned was a 20 per cent. fall in meals served at the classy end of the catering market. The Caprice's decline was blamed for Epicure's £45,202 loss in the last six months of 1974, and it shut at the beginning of this year.

The new boss is Robert Bartella, Greek-born and until March joint managing director of Queens Moat Houses, originally the fore, have quite enough on their hands without what they must consider to be this sort of ungentlemanly competition since the strike-action is being fought by both sides with uncompromising fervour. Journalists are working normally and other production functions are being performed by management in order to get even a restricted run onto the streets.

This he has taken to the Caprice, aiming at an "average" spend per customer of £4.50 against the £12 more likely in earlier days. After leaving Queens, he sought out old friends at Thomas Bates, a private construction company, which is partnering him in a company called Heritage Inns. That sounds a familiar name, but is in fact brand new. "When we went to register it, we couldn't believe it ourselves," says Bartella. "Of course restaurants are going through a lean time. I'm going for a market gap. There is no point the customer feeling he's left his wallet behind when he leaves."

Passing on

Death and capitalism do not mix, the new Government of Mozambique has decided. It has banned private funeral parlours and the private manufacture of coffins and urns. A Department of Funerals will be set up and all workers formerly in the private sector will become civil servants.

A decree published yesterday described it as "immoral" that death should be a means of enrichment, warning that anyone continuing on a profit-making basis faced six months' imprisonment.

Observer

هكذا في الأصل

and take longer to look around for a job, while much real poverty exists and is likely to grow with the unemployment figures. The effect of more generous transitional benefits in prolonging unemployment is likely to be at its weakest during a sharp cyclical downturn such as the present when job anxieties are severe. It will be much more important when unemployment stops rising and when recovery comes. It is then that policy makers will need to be most critics of the unemployment headlines.

Complaints

There still remains the

ing up the net income of the unemployed to a higher level than one would expect from the benefit figures is rent and rate rebates. The anomaly arises from paying the rebates on pre-tax incomes for those at work, which puts them in a worse position relative to those on benefit. But until the dozens of separate benefits in cash and kind are consolidated into a single cash credit, with a known and considered marginal rate of withdrawal, we will continue to get complaints of unneeded poverty side by side with complaints about exploitation of the Welfare State, and both will be true.

United Gas Industries, Winchester House, E.C., 12.

all Wood (S. W.) Group, Winchester House, E.C., 12.

th. Zinc Alloy Rum-Proofing, Wolverhampton, 11.30.

MUSIC

Henry Wood Promenade Concerts:
BBC Symphony Orchestra (conductor Colin Davis) with Peter Pears (tenor) and Alan Civil (horn) perform Schubert's Symphony No. 3 in B flat major, Britten's serenade for horn, tenor and strings, and Sibelius' symphony No. 5 in E minor, Royal Albert Hall, London, 7.30 p.m.

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Parliamentary COMPANY RESULTS

U.S. \$79,000,000

FLOATING RATE LOAN DUE 1980

From Mr. W. Chadwick.
Sir.—With reference to Harold

From Mr. W. Grey.
Sir.—While Mr. D. A. Trigwell

From Mr. D. Hunt.
Sir—I confess to a certain

From G. Colthorpe.
Sir—Passing down The Strand

from Mr. J. Kirkpatrick.
Sir—Since writing to you last

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

FUERZAS ELECTRICAS DE CATALUÑA S.A.
-FECSA-

U.S. \$79,000,000
FLOATING RATE LOAN DUE 1980

MANAGED BY

BANCO DE SANTANDER BANK OF AMERICA N.T. & S.A. DRESNER BANK AG
BRANDT'S LIMITED CITICORP INTERNATIONAL BANK LIMITED CHASE MANHATTAN LIMITED

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INTERNATIONAL NUCLEAR CREDIT BANK

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COMMERZBANK INTERNATIONAL S.A. FIRST NATIONAL BANK OF ATLANTA
THE FIRST NATIONAL BANK OF BOSTON HARDY & CO. GMBH
IRVING TRUST COMPANY SECURITY PACIFIC NATIONAL BANK
VEREINS-UND WESTBANK AG WORLD BANKING CORPORATION S.A.

AGENT
BANK OF AMERICA N.T. & S.A.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Senate committee hits out at Australian S.E. deals

BY OUR OWN CORRESPONDENT
A SENATE committee investigating the securities industry today released a report highly critical of Australian Stock Exchanges and of shareholders acting as directors. The report, from the Senate Select Committee on Securities and Exchange, probed activities of the Australian Uranium Company, Queensland Mines Ltd. in 1970 and 1971 when a boom in mining shares was in full swing. In 1970 Queensland Mines announced uranium values indicating it had found the richest uranium deposit in the world. The price of the shares soared to about 15 times their original value but fell sharply after directors disclosed, in August 1971, that the richness of the deposits was only one-third of what had been claimed. The report said that the company had failed to release assay findings in February 1971 which indicated the reserves were not as rich as first stated and said that the then managing director, Mr. R. W. Roy, had been responsible for misleading the shareholders.

Union Steel shows its strength

JOHANNESBURG, August 20. DESPITE RECESSION in the world steel industry, results from Union Steel show the relative immunity of the South African sector where demand has continued strong. USCO has raised its operating surplus from R5m. in the first half of 1974 to R8m. for the first six months just ended on turnover which remained static at R46m. Within the sales make-up, however, there were some considerable swings and roundabouts. Steel sales were up 50 per cent to around R5m. while copper products were sharply down on the lower metal price. Even so, the copper fabricating side seems to have been about 30 per cent more profitable than a year ago. The mild steel division showed an unacceptable level of returns and remains the group's Achilles heel, while most of the running was made in the special steels division, mainly non-ferrous products, which was well ahead of expectations. This division is believed to have slipped in about R5m. of trading profit, benefiting plainly from an absence of price controls.

Setback at Ericsson as margins decline

STOCKHOLM, August 20. L. M. ERICSSON, the Swedish telecommunications group, reports a 22 per cent profit setback for the first half of the year, following a decline of 2.1 per cent in the margin between sales and manufacturing costs. The group's overall profit margin, however, was 19.7 per cent, reversing the forecast of an improved profit contained in the 1974 annual report, but it is maintaining its prediction of a 20 per cent rise in turnover over the year. Pre-tax profit for the six-month period was Kr.304m. (€37.7m.) which compares with Kr.388m. for the first half of last year and Kr.430m. for the second half. Earnings were 9.4 per cent of turnover compared with 14.1 per cent. The adjusted net earnings per share fell from Kr.1.80 in the first half of 1974 to Kr.79. Sales rose by 17 per cent to Kr.3.2bn. (€395m.), while order bookings at Kr.4bn. exceeded the order intake for the corresponding period of 1974 by only 8 per cent. The reduction in orders following government instructions to counter inflation or facing difficulties in raising finance in new order bookings from the European markets, particularly Italy, the Board reports. On the positive side it singles out the order for new international Ericsson by the British Post Office.

Brazil to borrow more

By Mary Campbell
BRAZILIAN public sector entities may be expected to borrow a further \$300m. or \$400m. on the Euromarkets this year, Sr. Calmon de Sa, president of the Banco do Brasil, said yesterday. He was speaking after the signing of a \$150m. loan for the Brazilian railroads. Details of the loan have not been formally published. However, they are thought to include a maturity of five years for the majority of the total at a floating rate, with the spread set at 13 per cent. Some of the funds, however, will be supplied at a fixed rate of interest, partly for two years and partly for five. A \$45m. loan for CEMIG was also signed recently, while the previously reported \$120m. loan for the Banco Nacional de Desenvolvimento is due to be signed tomorrow. This will bring the total value of loans signed with foreign banks to over \$350m. within a one-week period. The total foreign debt of public sector institutions in Brazil is now between \$4bn. and \$5bn. Sr. Calmon de Sa said yesterday. The private sector's foreign debt is around \$9bn., he added. He also said that the recent frost may not adversely affect Brazil's foreign earnings from the next year because price increases could offset the loss of volume in exports.

Dutch banks merger unlikely

AMSTERDAM, August 20. THE POSSIBLE merger between the state Post Office Savings Bank (RPS) and the private Netherlands organization of savings banks (NSB) which was first mooted at the end of 1973, now appears to be off. The NSB, which has around 100 member savings banks, and members exceeding Fls.12bn., said in its annual report for 1974 that it no longer considers the start of a study into the merger possibilities as a "real need". The organisation, which itself is currently in the middle of a reorganisation and streamlining programme, suggested that the main reason was the fear of too much Government influence over future co-operation. Referring to the Government's plans for merging the Post Office and Giro service (PGGD) and the RPS into a state "Postbank" with an extended scope of business, the report commented that this development accentuated the emergence of increased Government influence. "We regret this development which we regard as a reinforcement of the political element, the NSB's earlier assertion that the Government would

Tedex moving well

JOHANNESBURG, August 20. WITH INTEREST building up in TV, ahead of full-scale programmes in January, results from Television and Electrical Holdings (Tedex) are a token of what manufacturing with a good product and distribution network may be able to achieve. For the six months to end-June Tedex profits rose from R54,000 to R14m. or in earnings terms, from 5.4c to 11c. The Board predicts profits for the second six months will be "substantially in excess" of these levels. With a number of big contracts recently concluded, as with Holiday Inns, a useful rise is certainly on the cards and about 80c are expected. The sources have been positive, and London buyers recently, though listed only in Johannesburg, and have risen 25c to 175c this week. One major London trading company anxious to increase its stake in the public utility, was said to have had unsuccessful talks with the Tedex Board about buying a stake in the company.

Cyclone rejects higher Boral offer

MELBOURNE, August 20. CYCLONE of Australia rejected the increased Boral offer of \$2.10 cash a share, saying Boral continues to fail to recognise the true worth of Cyclone shares. A further negative factor underlined is increased labour costs, not only in Sweden where a 20 per cent rise is expected this year, but also in other countries where the group manufactures high inflation rates. The group continued to invest heavily in property, plant and the beginning of the year. Cyclone said Boral yesterday bought 369,679 shares to increase its holding to 735,891 or 9 per cent of Cyclone. Both the Boral and ARC offers are being examined by the commissioner for Restrictive Trade Practices. Cyclone will issue its shares at \$2.50 each as consideration for its purchase of London and Midland Steel interest in Cyclone Double Grip Scaffolding Pty. A meeting will be held on August 22 to approve the purchase. Shareholders to the final Cyclone dividend and the value of the offer is thus effectively reduced to \$2.005 a share.

Alusuisse acquires U.S. company

ZURICH, August 20. THE ZURICH-BASED company Swiss Aluminium has announced the take-over of Hayward-Robinson Company, New York. The American concern, which has some 250 employees, is now primarily in the planning and construction of chemical plants. Its former proprietors will continue to be responsible for the management of Hayward-Robinson, which will become part of the services division of the Alusuisse group. The Swiss group says that Hayward-Robinson's special knowledge in the sector of process engineering represents a valuable strengthening of the Alusuisse engineering programme at the international level. Hayward-Robinson will be active outside the U.S. to the extent this is called for by group requirements.

Nederlandsche profits growth

AMSTERDAM, August 20. NEDERLANDSCHE Aluden-standbank (NMB), Holland's third largest commercial bank, saw its net profit rise 23 per cent to Fls.37.4m. in the first half of this year and it expects a "further growth of profits" during the rest of the year. The bank, in which the Government has an interest of 29 per cent, said in a short financial statement here today that the first half had been characterised by good business growth. Its balance sheet total had reached Fls.15.6bn. at the end of June, which was 15 per cent, up on the total at the end of 1974. NMB said that deposits had gone up 16 per cent to Fls.14.7bn. while advances had increased 13 per cent to Fls.8.4bn. Total revenue amounted to Fls.285.8m. in the first half, which was up 21 per cent, while expenses reached Fls.237.8m., which was up 24 per cent. Continued automation and efficiency had resulted in only a slight increase in staff. The bank added in the statement that provisions had amounted to Fls.18.8m. (up Fls.3.5m.) and the allocation for tax was Fls.19.6m. (Fls.20.5m.). NMB, which is part of the international banking consortium, Inter-Alpha Group, added in a short comment that the interest margin had gradually improved in the first half from the second half last year, but that it was still somewhat lower than in the first half last year. The interest margin was expected to continue at the current level which is why the bank expects a continued growth of profits for the remainder of the year.

Bayernhypo maintains earnings

MUNICH, August 20. BAYERISCHE Hypothek und Wechselbank said it maintained the good earnings position established last year in the first half of 1975. The interest surplus, including earnings on securities, including stocks and participations, rose by DM35m. compared with half the total 1974 figure to DM248m., it said in an interim report. The interest surplus on mortgage business rose further while the commission surplus was slightly more than half of the result in the whole of 1974. The bank's balance-sheet total rose by DM657m. to DM27.65bn. in the first half of the year. Deposit and credit business was slightly down but there was a strong increase in mortgage and bond business. Credit volume fell by DM40m. to DM10.6bn. Foreign business rose by 18 per cent, compared with the first half of 1974, due to the increase in export. Net 1974 profit was DM562m. Reuter

Akzo postponing expansion

AMSTERDAM, August 20. AKZO, the loss-making large Dutch chemical group, revealed today it has "temporarily postponed" three major international expansion projects in view of current economic conditions and the uncertain outlook. The projects include the plan, together with the French ATO Chemie chemical group, of building a large complex on the French coast at Le Havre. This was to have included a large thermal cracking unit for production of raw materials for several other plants, including a Vinylchloride plant. The second project to be postponed is the construction at Enka, North Carolina of a large plant to manufacture polymeric material for shoe uppers. The building was due to be completed in late 1975. Finally, AKZO has also decided to postpone building a chemical fibres plant at Chalmers, near Bandung (West Java) in Indonesia. This project was in an early planning stage. An AKZO spokesman said in

Jardine names the day

JOHANNESBURG, Aug. 20. FORMAL offer documents for the interest Jardine Matheson proposes acquiring in Rencus Consolidated Holdings will be despatched on September 2, a spokesman for Rencus said. Rencus has said Jardine will offer to acquire 30 per cent of the existing issued share capital of Rencus at 350 cents per share in cash pro rata from each shareholder. Reuter

Tokai Bank financing moves

TOKYO, August 20. TOKAI BANK plans to make 40 per cent rights issue to shareholders of record on September 30. The bank also plans publicly to offer 26 million shares of its common stock. Shareholders will be given rights to purchase two new shares for each five shares held as of September 30 for ¥80 (par value) per share with payment due on January 31, 1976. The offering price for the public subscription is to be determined later, but applicable for it will be accepted between January 10 and 20, with payment due on January 31, 1976. Tokai bank's capital is to be increased to ¥545bn. as a result of these moves. Tokai said that its capital participation in Arima will help Japan recycle petrodollars and foster economic ties with Arab nations. AP-DJ/Reuter

Kirin sees decline in profits

TOKYO, August 20. KIRIN BREWERY Company estimates that net profits fell to ¥2.5bn. in the first half ended July 31, from ¥4.8bn. in the same 1974 period, a company spokesman said. The fall, caused by increased production cost, was smaller than the company previously expected, and profits would show a substantial improvement in the second half, aided by an 8.2 per cent increase in beer prices from July 22, he added. The company will declare an unchanged interim dividend of ¥3.75 per share. The spokesman said that Kirin estimates that gross first half sales increased to ¥278bn. from ¥255bn., helped by a hot summer which saw its beer sales rise by 3 per cent, and soft drink shipments increase by 20 per cent. Costs of materials, transport and wages increased substantially, but prices of some subsidiary raw materials, such as starch and broken rice, fell.

Operating loss at Lesieur Cotelte

PARIS, August 20. LESEUR-COTELLE et Associés SA reported an operating loss of Frs.149.6m. for the first half of 1975. This was due both to generally poor market conditions, involving a drop in raw material prices and a fall in sales, and to cessation of disadvantageous prices of stocks and terms, contracts acquired at end 1974. It said. For the whole of 1974, the company declared a net loss of Frs.80.2m. (net profit Frs.29.3m.). Since the start of the second half raw material prices have picked up and sales also appear to be recovering, but no forecast for the whole year can yet be made because of present uncertainties, the company said. The company retained its 52 per cent share of the French food oil market and improved its market share for cleaning products, but a rationalisation programme now under way will have immediate effect only in limited sectors, it added. The first half operating loss was calculated on the basis of actual cost of stocks, and not on the basis of replacement costs, the company said. Price rises are generally reducing the provision that would have to be made to cover stock depreciation. Reuter

New Norwegian consortium

OSLO, August 20. SIX LEADING Norwegian industrial concerns have formed a new company, Noreconco A/S, to plan and build petroleum and petrochemical plants and installations. Until now, contracts for this type of plant in Norway have gone mainly to foreign specialist concerns. The new company hopes to break into the field by co-ordinating the resources and know-how of the six partners—the Aker shipbuilding group, Dyno Industries, Kraemer Engineering and ASV, the 75 per cent State-owned aluminium group.

This announcement appears as a matter of record only.

Det Danske Staalvalsevaerk A/S

(A/S DANISH STEEL WORKS LTD.)

U.S. \$18,000,000

Medium Term Euro-currency Facility

Managed by
Orion Bank Limited

Co-managed and Provided by
Bank of Montreal
The Chase Manhattan Bank, N.A.
National Westminster Group
Orion Bank Limited

Arranged in association with
Den Danske Landmandsbank

Credit volume (en by DM450m, to DM10.50m. Foreign business rose by 15 per cent compared with the first half of 1974, due to the increase in exports.

Net 1974 profit was DM355.2m. Reuter

New Norwegian consortium

By Fay Gjerstor
Oslo, August 26.

SIX LEADING Norwegian industrial concerns have formed a new company—Norencor A/S—to plan and build petroleum and petrochemical plants and installations in the new oil fields. The consortium is to build the oil fields, to attract for this type of plant in Norway have gone mainly to foreign specialist concerns. The new company hopes to break into the field by using its own resources and know-how of the six partners—the Aker ship-building group, Dyno industrial, Kvaerner Engineering and ASV Kvaerner Engineering

COMPANY NEWS

'Tubes' mid-term profit slips to £19.23m.

EXTERNAL SALES for the first half of 1975 of Tube Investments expanded from £240m. to £249.5m. but pre-tax profits fell slightly from £20.76m. to £19.23m. Profits similar to these are expected for the second half.

Earnings are shown to be down from 24.5p to 20.8p per share. The interim dividend is lifted from 7.2p to 8p net. Last year's total was 15.82p paid from profits of £41.06m. before tax.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividend. Official indicators are not available whether dividends considered are interim or final and the above dates are based on last year's timetable.

	1975	1974
External sales	249.5	240.0
Trading profit	20.76	20.76
Profit on property sales	5.31	4.23
Depreciation	1.79	1.79
Provision - BA - assets	2.52	1.98
Net interest on overdrafts, etc.	5.50	2.13
Profit	22.89	22.78
Less: 1975	22.89	22.78
Cycle	1.86	3.33
Consumer finance	6.40	2.4
Domestic operations	1.9	1.9
Midland Aluminium	1.32	1.32
Southcoast	1.32	1.32
Machine	1.32	1.32
Industrial electrical	1.32	1.32
Allen West & Simons	1.32	1.32
Overseas	1.32	1.32
Parent co. etc. 1975	1.32	1.32
BA group	1.32	1.32
Loan interest	1.32	1.32
Profit before tax	19.23	20.76
Tax	1.9	1.9
Minority holders	1.9	1.9
Earnings	1.9	1.9
Extraordinary profits	1.9	1.9
Making	1.9	1.9
Dividends	1.9	1.9

	1975	1974
Associated Portland Cement	Aug. 28	
Godfrey's	Aug. 27	
Godson (L) and W. J.	Aug. 27	
Lec Refrigeration	Aug. 28	
Stanley (A.G.)	Aug. 27	
Tanner Securities	Aug. 28	
Plasmas	Aug. 28	
Grampian	Aug. 28	
Orme Development	Aug. 22	
Pico	Aug. 27	

British Aluminium suffered from a particularly sharp fall in demand.

It is expected that profits of the steel tube division, which is usually affected relatively late in the economic cycle, will now begin to fall in response to the economic recession.

In the second half of the year this should be compensated by continued recovery and favourable seasonal factors in domestic appliance, machine and overseas divisions. Group profits for the second half should therefore approximate to those for the first half, members are told.

The diversity of products and the geographical spread of markets will enable the group to exploit any upturn in business at home or abroad.

British Aluminium, a subsidiary, reports first half 1975 profits down from £3,791,000 to £3,677,000 before tax. Profits for the year 1974 were £3,17m.

Excluding extraordinary items, first half consolidated net profit was £406,000 against £1,588,000.

The directors state that the reduction in demand for aluminium proved much more severe than expected. During the first half world usage of primary aluminium was less than two-thirds of the level in the first half of 1974. In the U.K. consumption of semi-fabricated aluminium has dropped over 25 per cent, with the second quarter being much worse than the first.

The higher interest charge of £2.45m. (£1.64m.) reflects higher working capital due to inflation and the metal stock increase, and partly the replacement of half the Swiss borrowings by more expensive sterling borrowing.

Statement, Page 13
See Lex

Figures in respect of Midland Aluminium are included from the date of acquisition—February 24, 1975. The excess of cost of shares acquired over the book value of net assets attributable to such shares amounts to approximately £2.3m., which will be written off in the accounts for 1975.

The directors say that a high level of deliveries of capital goods industries and improved overseas sales enabled steel tube division

to earn good profits despite low demand from consumer industries. Domestic appliance and machine divisions benefited from action taken to deal with internal problems and improved their profits.

Overall group performance held up well in spite of the depressed economic conditions at home and abroad, although there were weak areas.

The cycle division was hit especially hard by the collapse of the U.S. bicycle market and its repercussions. Results of the overseas division were seriously affected by a two-month strike at the principal tube factory in Canada and by a major downturn in consumer sales in Australia.

Pye second-half warning

ATTRIBUTABLE profit of Pye Holdings, the electronics and communications group, increased from £1,746,000 to £1,804,000 in the half year to June 30, 1975, but chairman, Lord Capel, warned that the present economic situation makes it probable that profits attributable to holders in the second half will be lower than those for the corresponding period of 1974.

The interim dividend requiring 880,000 is again 1.25p a share net. Last year's total was 3.87p from attributable profit of £3.3m. The ultimate holding company is Philips' Lamp.

In view of the position regarding ACT the dividend will, in both the company's and also the holders' interest, be deferred until after December 31.

stock replacement reserve out of the profits as shown is estimated at £1.8m. for the half year (£0.9m.) reflecting the increase in the rate of inflation.

Profit of £1,804,000, realised during the half year on the sale of investments, has not been included in the results.

Pye of Cambridge has declared an interim dividend of £0.6m. payable to the parent, Pye Holdings.

See Lex

Halfway loss by Associated Sprayers

Excluding a surplus from the sale of Jacobson property, of £106,000 less £25,000 tax, Associated Sprayers incurred a loss of £15,700 in the half year to February 28, 1975, compared with a profit of £111,000 in the same period of 1974-75. Full year 1974-75 profit was £188,800.

There is no interim dividend, against 1.1p and 2.57p total last year.

Turnover for the six months declined from £2.61m. to £2.56m. in the first half of last year there was a tax charge of £28,000, leaving £73,800.

Expansion policy at Astra

To ensure success for Astra Securities it will probably be necessary to add companies with allied activities to the group, states the chairman, Mr. D. G. Dukas.

A careful appraisal of possibilities is resulting in obtaining substantial interests in situations which appear to warrant purchases at present levels, he tells members.

Investment has been directed to Barfield Bennett, in particular the ferrous scrap collection division. The high rate of profit retention will allow the installation of plant which will provide the most advanced balling facilities in the Midlands.

This investment, new equipment and "the energetic way that trading problems are being approached" should mean increased profits in the current year. Overheads are being subjected to continual scrutiny and as it is now necessary to aggressively fight for turnover, sales efforts are intensifying.

As reported on July 24 pre-tax profits increased from £379,772 to £549,913 in the year to April 30, 1975. The dividend is effectively raised from 0.571p to 0.66p net. A one-for-four scrip issue is proposed and the directors expect to maintain the dividend on the increased capital.

Meeting, Birmingham on September 11 at 11.30 a.m.

WM. NASH FIRST HALF LOSS

A turnaround from a pre-tax profit of £288,000 to a loss of £28,000 is reported by William Nash, specialist paper makers, for the first half of 1975.

The directors report that the company traded profitably in the first quarter but losses in the second quarter, caused by low operating levels, resulted in the overall loss for the half year. The present level of operation is comparable to that of the second quarter.

In yesterday's report it was incorrectly stated that there was a profit of £1,000 for the half year, and that the level of operation was comparable to that of the second half of last year.

INTERIM STATEMENT

	26 weeks to 28th June 1975	26 weeks to 28th June 1974
Net profit before taxation	£1,242,000	£911,000
Taxation (est.)	£645,840	£473,280
Profit after taxation	£596,160	£437,720
Turnover	£30,169,000	£19,668,000

The above figures are in line with the boards expectations and are considered to be very satisfactory.

In my report for the 52 weeks ended 28th December, 1974, I said that we would be very selective in the choice of sites for new supermarkets. This has been the case and we will pursue this policy even though it could mean a possible slowing down of our expansion rate. Current costs of acquiring and developing sites have risen to such an extent that it is now imprudent to open new supermarkets just to achieve turnover growth at the possible expense of profitability. Our policy will be to open new supermarkets when in our opinion the right opportunities occur, and to concentrate more on our existing units to bring those not showing the required standards into line with expectations. We are also in a position to take advantage of any possible acquisitions that may arise.

During the first half year four supermarkets were opened plus one non-food unit and two further large supermarkets will be opened in the second half of the year.

Turnover is progressing at a very satisfactory level and the outlook for the second half year is up to expectations.

The board are recommending an interim dividend of 10.45%, which is the maximum permitted under present legislation. This dividend will be paid on the 10th October, 1975 to those Shareholders on the register at close of business on 5th September, 1975.

D. R. GLYNN, Chairman

Mid-term rise at Direct Spanish

Including net dealing profits of £5,578, compared with losses of £35,492, first-half 1975 profits of The Direct Spanish Telegraph Company show an increase from £177,801 to £256,315 before tax of £28,522 against £58,761. Gross revenue was £365,517 compared with £248,661.

Earnings are shown to be up from 1.33p to 2.48p per 25p share. The interim dividend is held at 1.05p net, absorbing £96,445 (£96,341). Last year's total was 3.8p, paid from taxed profits of £497,747.

Earnings per share in the second half are expected to be below those of the first. Subject to unforeseen circumstances, however, the directors anticipate paying the same final dividend as for 1974.

Since Slater Walker Investments assumed management of the company's investment funds in February this year, there has been a considerable restructuring of the portfolio, states the chairman, Mr. J. A. W. Nichols. The intention of the directors is to achieve capital growth, he says, and points out that the net asset value per share has increased from 43.7p on December 31, 1974, to 55.2p per share on June 30, 1975.

KELVIN WATSON PROGRESS

Mr. Geoffrey Watson, chairman of R. Kelvin Watson, Manchester manufacturing and retail opticians, told the annual meeting that the forward progress already reported in the first quarter of the new financial year had been maintained in all departments.

But inflationary tendencies, he warned, might affect the retail side of the business in the second half of the year.

SIEMENS

Information for Siemens Shareholders

Slight Upturn in Orders

During the first nine months of the current financial year (1st October 1974 to 30th June 1975) orders received increased by 9% to £ 3,185 million. While early figures for our international business were good, in recent months we increasingly felt the effects of recession experienced in nearly all industrialized countries, reflected in a stagnation of export orders as against last year's totals and a gain of only 6% in international business. We also experienced an initial decline in new orders in the Federal Republic of Germany; however, in June, shortly before the expiration of the federal investment incentive programme, new orders advanced well ahead of last year's levels. Home market business thus recorded a growth rate of 12% for the period under review. How this will affect anticipated orders for the months ahead remains to be seen.

Sales exceeded those of the preceding year by 9%, attaining a total of £ 2,539 million for the first nine months. The economic malaise was felt most acutely by Siemens in the German domestic market. Here, sales of £ 1,317 million represented an increase of only 3% over comparable figures of a year ago; this is tantamount to a slight decrease when adjusted for price rises. In contrast, international sales reached £ 1,222 million, topping last year's levels by 18%.

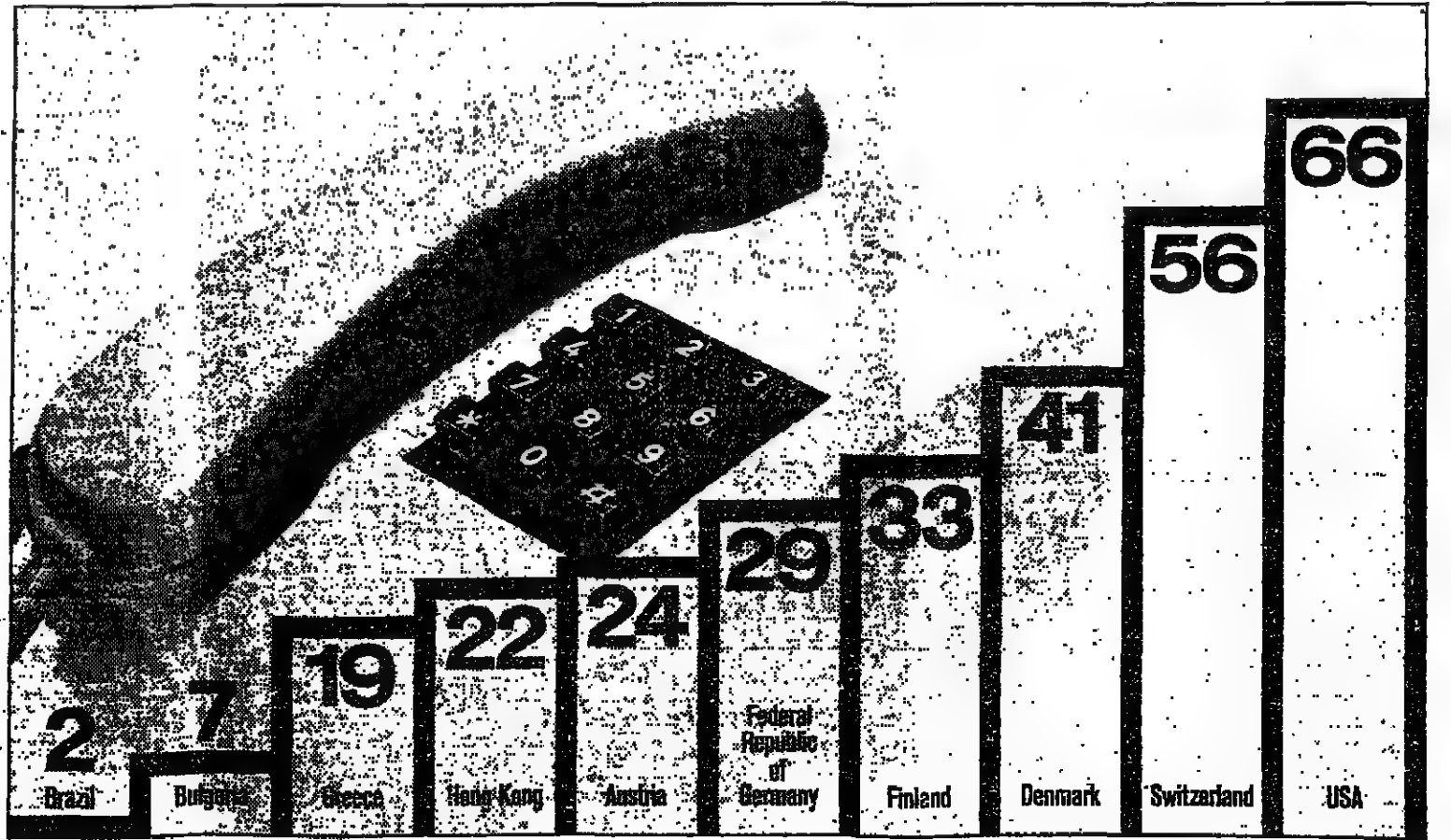
As the result of an acceleration towards the end of the third quarter, order backlog attained £ 3,625 million. Capacity utilization nonetheless took a turn for the worse in some areas. Certain components plants and factories producing mass goods were especially hard hit, with capacity utilization ranging from 55 to 60%. Order backlogs again included major, long-term projects which will contribute to the utilization of plant capacities only in succeeding years. A shorter working week therefore remains unavoidable in several sectors. By the same token, the replacement of employees leaving the Company has been virtually discontinued. During the first three quarters of the current financial year the number of Siemens employees dropped 3% to 299,000.

Capital projects were implemented as scheduled. To date, £ 159 million have been spent during the current financial year, primarily on operations efficiency and modernization. Net income for the initial nine months of the current financial year was £ 68 million. As in the first half year, this figure represents 2.7% of sales.

For the total 1974/75 financial year we anticipate some £ 4,100 million in new orders and sales exceeding £ 3,500 million.

	1/10/73 to 30/6/74	1/10/74 to 30/6/75	Change	30/9/74	30/6/75	Change
Orders received (in millions of £)						
Domestic operations	2,283	2,452	+ 8%	3,050	3,625	+ 19%
less export orders	818	814	± 0%			
Domestic business	1,465	1,638	+ 12%	221	209	- 5%
International business	1,481	1,547	+ 6%	88	90	+ 2%
	2,926	3,185	+ 9%	309	299	- 3%
				1/10/73 to 30/6/74	1/10/74 to 30/6/75	
Sales (in millions of £)						
Domestic operations	1,812	1,962	+ 8%	1,113	1,233	+ 11%
less export orders	531	645	+ 22%			
Domestic business	1,281	1,317	+ 3%	147	159	+ 8%
International business	1,047	1,222	+ 16%	39%	39%	
	2,328	2,539	+ 9%	66	68	
				2.9%	2.7%	

Amounts translated at Frankfurt middle rate on June 30, 1975: £ = DM 5.161.



Telephone stations per 100 inhabitants (Jan. 1, 1974)

Telephones Still a Growth Market

Despite constant expansion of the world's telephone networks, even highly industrialized nations remain a long way from the point of market saturation. The U.S., for example, with 66 telephone stations per 100 inhabitants, continues to install new

telephones. Like the television or the washing machine, the telephone belongs in every home. As a leader in the communications field, Siemens is in a position to make the most of the opportunities offered by this expanding market.

Siemens AG

In Great Britain: Siemens Ltd.
Great West House, Great West Road, Brentford TW 8 9DG, Middlesex

WALL STREET & COMMERCE MARKETS New drops as other 15 to 793

BY OUR WALL STREET CORRESPONDENT

PRICES PLUNGED further on Wall Street today, sending the Dow Jones Industrial Average well below the 800 level, motivated largely by apprehension among investors that reviving inflation and a new round of U.S. interest-rate increases would stifle the current slow economic recovery.

The Industrial Average dropped a further 15.26 to 793.26, making a fall of 29.49 over the past two sessions—the last time the DJIA closed under 800 was on April 11, when it finished at 789.50.

The NYSE and Amex stock indexes gave a further 0.3 cents to \$44.30, while losses outpaced gains by a near seven-to-one majority. Trading volume sharply expanded by 3.64m. shares to 18.56m.

Brokers noted that selling accelerated as the Industrial Average sank through 800 without any support appearing.

Analysts generally found little relief for the stock market's problems ahead although some said internal forces could generate a temporary rebound if the market continues to slide steeply.

American Telephone rose \$2.24 to \$48.00 on 252,500 shares after announcing plans to sell 12m. common shares on October 1.

Citicorp fell \$1.10 to \$30.00 on 579,500 shares.

Fibreboard slid \$1.10 to \$21.00, omitted the third quarter cash dividend, and expects to report a loss for the period.

General Motors fell \$1.46 to \$46.00, Atlantic Richfield \$2.10 to \$102.00, A. E. Staley \$2.10 to \$53.00, DuPont Chemical \$2.10 to \$58.00, Burroughs \$2.10 to \$57.00, and Polaroid \$1.10 to \$31.00.

Utah International, lost another \$2.10 to \$32.00. It expects a new Australian Export duty on coking coal to cost a subsidiary about \$19m. over the balance of fiscal 1973 ending October 31.

However, Gable Industries climbed \$1.10 to \$81.00, as large shareholders agreed to sell their stock to Plinkette for \$15 a share. Gable also reported lower fourth quarter profits. Plinkette were off \$1.10 to \$13.00.

Zapata fell \$1.10 to \$13.00, a director was charged by the Securities and Exchange Commission with insider-trading violations in the company's shares.

Iowa Beef Processors declined \$1.10 to \$33.00 in little change in third fiscal quarter.

The Amex and NYSE Market Value Index dropped 1.75 to 53.24, with declines outnumbering advances by 37 to 29.

Raychem, the most active issue, were down \$1 to \$29.00 on 145,100 shares.

Also active were Westlake Petroleum, up \$1 to \$10.00, Research Chemical, down \$2.10 to \$13.00, Gen. Hart-Owen, off \$1 to \$59.00, and Aegle, off \$1 to \$16.00.

Canada again lower
Canadian stock markets continued to decline yesterday.

The Western Oils Index fell 5.52 to 183.75. Industrial lost 1.73 to 184.15. Basic Metals eased 0.52 to 76.72. Utilities dipped 1.04 to 126.91. And Papers shed 0.91 to 108.80. But Gols advanced 7.33 to 358.89 and Banks firmed 0.13 to 260.89.

Bank of Montreal eased \$1.10 to \$161.00, despite improved earnings. Ford Motor Canada fell \$1.10 to \$79.00, Great West Life Assurance declined \$1.10 to \$53.00, and Industrial Packaging fell \$1.10 to \$11.00.

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Street's overnight fall, with Dutch International the hardest hit, apart from marginally higher Heogevana. Small offerings suffered to sharply depress values in a thin market in the absence of favourable news.

Bankers and Insurances Bank declined elsewhere. Algemeen Bank Nederland fell \$1.75 to \$32.00, and Amsterdam Rotterdam Bank Local Fls.80 to 73.5.

Local Industries and Transportations were also generally lower. Shipments were also lower.

State Loans firmed. GERMANY—Lower in lively turnover.

In Motors, Daimler-Benz lost \$1.10 to \$108.00, VW rose \$1.10 to \$109.00, and BMW dipped \$1.10 to \$108.00.

Marshall fell \$1.10 to \$42.00. In Electricals Siemens dropped \$1.10 to \$108.00, while AEG slipped \$1.10 to \$107.00.

Demag, Machinery Maker, dropped \$1.10 to \$107.00. The Bond Market was quiet in anticipation of results of the German Central Bank meeting in Wiesbaden. It was announced after the trading session that new issues of Domestic and External Deutsche Mark Bonds, as well as private placements of External Bonds, would remain effectively prohibited for the time being.

Switzerland—Prices dropped in all trading. Union Bank slipped \$1.10 to \$108.00, and Credit Bank fell \$1.10 to \$107.00.

Insurance, Winterthur, were down \$1.10 to \$108.00, and Zurich Insurance \$1.10 to \$107.00.

Among Engineering, Brown Boveri were active and declined \$1.10 to \$108.00. Stores were State Bonds moved slightly higher.

In the Foreign sector, actively traded, Dutch International was slightly easier, while Germans were barely steady.

Hong Kong Bank dropped 30 cents to \$14.00. Hong Kong Land 15 cents to \$3.00. Hutchison 8 cents to \$1.00, Jardine 40 cents to \$5.00, and Anglo Siam 40 cents to \$5.00.

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STERLING improved again in the foreign exchange market yesterday, recording gains against most major currencies and in terms of the U.S. dollar. Sentiment over the U.S. unit may have been affected by possible trouble from dockers over further grain sales to the USSR, and growing friction between the U.S. and USSR over Portugal. Anticipation of renewed selling of the dollar in New York also caused an initial weakening of the currency, but when this failed to happen, the pound improved by the close to its best levels of the day against most Continental currencies.

The pound opened at \$2.1210 and with the early weakness of the dollar improved to \$2.1260-\$2.1270, before easing back in line with other currencies to \$2.1170-\$2.1180. At the close the pound had made further gains to \$2.1205-\$2.1215, compared with \$2.1173-\$2.1183 previously.

Sterling's trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement (as calculated by the Bank of England) improved to 27.5 per cent. after standing at 27.3 per cent. at noon and 27.6 per cent. in early dealings. The dollar's trade-weighted depreciation against 14 currencies since the Washington Agreement narrowed slightly to 2.63 per cent. from 2.64 per cent. previously. This is calculated by Morgan Guaranty of New York, on noon rates. Sterling's depreciation on a similar basis narrowed to 33.1 per cent. from 33.46 per cent.

Gold closed \$11 higher at \$162.14 (\$161.81), against the previous \$170-\$171 (\$161.81).

The Kruggerand for domestic delivery ended at \$170.14 (\$161.81), against the previous \$170-\$171 (\$161.81).

U.S. \$ in Montreal: \$100 = 103.70-103.75 Canadian cents. U.S. \$ in New York: \$100 = 80.00-80.05 U.S. cents. U.S. \$ in Milan: 800.25.

U.S. \$ in London: \$100 = 2.1205-2.1215 U.S. dollars. U.S. \$ in Paris: \$100 = 6.54-6.55 French francs.

U.S. \$ in Rome: \$100 = 1,360.00-1,360.05 Italian lire. U.S. \$ in Tokyo: \$100 = 163.00-163.05 Japanese yen.

U.S. \$ in Hong Kong: \$100 = 7.80-7.85 Hong Kong dollars. U.S. \$ in Singapore: \$100 = 2.00-2.05 Singapore dollars.

U.S. \$ in Manila: \$100 = 48.00-48.05 Philippine pesos. U.S. \$ in Bangkok: \$100 = 20.00-20.05 Thai baht.

U.S. \$ in Jakarta: \$100 = 1,500.00-1,500.05 Indonesian rupiah. U.S. \$ in Kuala Lumpur: \$100 = 3.80-3.85 Malaysian ringgit.

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Record product forecast
COMMODITY
GET READ
WOULD
YOUR OWN C
PERSONAL
URGENT
ART GALLERY

FARMING AND RAW MATERIALS

Record rice production forecast

WASHINGTON, August 20. WORLD RICE production for the 1975/76 season just started will be a record, topping last season's previous high by 4 or 5 per cent, according to a preliminary estimate by the U.S. Department of Agriculture, reports Reuters.

Total production of rough (paddy) rice is put at 330m tonnes compared with an estimated 324.4m in the season just ended. Most of the increase is expected to occur in Asia, where good moisture conditions and improving technology are likely to boost output by over 15m tonnes.

In India, the Department expects production to rise by 6.7m tonnes to around 66m, while Thailand is expected to produce 8.8m tonnes, exceeding last year's record by 300,000 tonnes. Peace-time conditions, plus favourable weather should also result in significantly larger crops in Vietnam and Cambodia, the USDA says.

Half the forecast of 1m tonnes increase in production outside Asia is attributed to the U.S., where larger acreage is expected to boost output to nearly 5.7m tonnes from 5.2m last year.

Brazil blocks whale catch agreement

TOKYO, August 20. BRAZIL PREVENTED whaling countries reaching an agreement on distribution of the catch quotas for sei and minke whales in the southern hemisphere at talks here, Japanese Fishery Agency officials said.

Delegates from Brazil, South Africa, Japan and the Soviet Union had discussed each country's catch quota at the talks which began last week. The talks followed the recent International Whaling Commission meeting in London, where catch limits were set at 2,320 head for sei and 8,810 for minke whales.

The officials said South Africa, Japan and the Soviet Union had agreed on national quotas set on the basis of their past catches, but Brazil sought larger allowances, especially for minke whales, for which she was offered a quota of 642 head. Brazil is reported to be seeking a minke quota of about 1,000 head, Reuters.

Zambian supply threat lifts copper market

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES moved up to new 10-month highs on the London Metal Exchange yesterday, following news of the threat to Zambian supplies as a result of the decision to stop using the Benguela railway for copper shipments.

But the rise in prices—copper cash wirebars gained 26.75 to 2222 a tonne—was surprisingly muted in view of Zambia's position as the world's second largest producer of copper and a dominant supplier of refined copper to Europe.

It was noticeable that the main buying demand—and later profit-taking—came from speculators. Consumer interest was described by one dealer as negligible.

So far, it is understood, Zambia has not declared force majeure on copper deliveries to its customers, although this now seems a virtual certainty in view of the importance of the Benguela Railway to Zambian copper exports and the delays already experienced in shipments, notably from Lobito Port.

Emergency talks are being held to work out a new export policy but the alternatives are limited unless shipments through Rhodesia are resumed.

It is estimated that Zambian copper exports via the Benguela Railway have been running at the rate of 30,000 tonnes a month recently, reflecting partly the difficulties in Lobito in handling bigger quantities and the cut in Zambian output forced by production problems, including limitations of imports of materials required by the mines.

At the same time Zambia has been shipping some 10,000 tonnes on the Benguela Railway, although Zaire also exports via Beira in Mozambique passing through Rhodesia—a route not open to Zambia for the moment at least.

Soared

In normal times the outbreak in Zambian supplies, and the likelihood of any greater decline in deliveries, would have caused a substantial rise in copper prices by forcing consumers to come to the open market to replace copper obtained from Zambia under direct yearly supply contracts.

But at present consumers do not appear to be worried in view of the huge surplus of supplies still available from other sources. Stocks in the LME warehouses in Britain and Europe alone were valued at an all-time peak of 363,300 tonnes.

after rising for 23 weeks in succession. At the same time there are substantial surplus stocks held by Japanese smelters. Altogether it is estimated that world stocks of copper are over 1m tonnes, despite the outbreak in output by major producers throughout the world.

Zambian production last year was 650,000 tonnes, but output is running at a lower rate this year.

Although there are hopes of a revival in demand for copper in the U.S. and Japan, consumer buying interest remains extremely sluggish and it was suggested yesterday that some customers might even welcome a reduction in Zambian deliveries.

Nevertheless the copper market is delicately poised. Prices have moved up steadily in recent weeks, reflecting the fall of the value of the Zaire, Chinese buying, and the much publicised long-term "investment" buying by speculators.

The problems surrounding Zambian copper production can only hasten the reduction of the world surplus and lead to much higher price levels in the future.

Fighting in Angola, Page 7

Court halts U.S. grain loading ban

HOUSTON, August 20.

LONGSHOREMEN have resumed loading a Yugoslav ship with wheat sold to the USSR, in response to a Federal Court order, reports Reuters.

The federal district court in Galveston, which issued the temporary order yesterday, was to begin hearing arguments to-day on whether to issue a permanent injunction against the longshoremen's union.

The suit was filed against the International Longshoremen's Association (ILA) by the West Gulf Maritime Association after the ship *Bosnia* on Monday. It charges the ILA with violating its contract with the association by refusing to load the vessel.

U.S. Agriculture Department officials have reaffirmed that their current estimate of total grain production in the USSR for 1975 is 10.5m tonnes.

In reassessing world production of wheat and feed grains yesterday, the Department estimated Soviet 1975 production of wheat at 85m tonnes and feed grains at 115m tonnes.

Officials note, however, those estimates exclude an estimated 15m tonnes of miscellaneous grains and pulses which are included in the total grain production estimate.

The USDA has reduced its estimate of world grain stocks for next year by almost 5m tonnes to 103.3m.

It has bought at least 1m tonnes of wheat over the past week, according to export sources in New York.

Move to boost potato acreage

By Our Commodities Staff

THE POTATO Marketing Board announced yesterday it is taking steps to encourage growers to begin with the Sweden, Finns and Canadians, that prices might even rise a little, and would so enable exporters to come back with the market had bottomed and continued to sit on the hands that should have been signing contracts with exporters.

When June came, the Russians had to make another major decision. If they were to sell any more wood for this year they had to make a move for time was running out. Making up cargoes and arranging shipping in the ice-free months.

Prices of the Scandinavian exporters had dropped since March (a rough average of their 20 per cent). The result was that the Russians will sell a cubic metre against 233 for fourth in the Russian schedule. The straight forward approach

U.K. TIMBER EXPORTS

Anger at Russian sales tactics

BY A CORRESPONDENT

THE U.K. softwood trade has witnessed some unprecedented manoeuvring by the Soviet Union during the last few months.

Exporters, the Soviet state selling organisation for softwood and plywood, has placed its sights on the U.K. market in large quantities—the quantity and timing depending upon the receptiveness of buyers. On average its share of U.K. softwood imports is around 20 per cent. (In 1974 it was down a little, supplying 1,200,000 cubic metres out of a total import of 5,282,000 cu. m.)

The market for 1975 wood was late in opening and it became obvious by March that if the Russians wished to maintain their normal share of a market reckoned to be reduced to 5.5m cu. m. for this year, the Russians would have to offer some inducement to tempt an importing trade that was still well stocked and not all that anxious to buy.

Gesture

When the offer appeared at the end of the first week in March, prices were down by about 20 per cent on average, which was a very long—certainly nothing of the size of the Russian deals and so it would be naive to suppose that Exporters thought it would get away undetected, rather they just under-estimated the strength of the reaction from the medium and smaller importers.

For weeks all was turmoil. There were even threats of litigation and of with-holding payment for timber bought on the first offer. The Timber Trade Federation, which normally stands along with all market place disputes, was constrained to intervene.

In the end the result was compromise. On the last day of July a letter was sent out by the Russians to the small and medium importers (those that had bought up to 30,000 cu. m. on the first offer) proposing that they should get a bonus of 53 per cu. m. on their total purchase if they bought a minimum of 20 per cent extra on the first purchase. (The importer who had bought say, 1,000 cu. m. in March now had to buy another 200 and would receive 53,600 bonus.)

It has been estimated that if all the importers concerned by their 20 per cent, the result will be that the Russians will sell on 50,000 cu. m. more wood, so this is no sales play; it is a commercial olive branch, and the straight forward approach

would have been out with a second offer and rely upon realistic pricing to sell their wood; but this would have triggered the price fall clause which had been part of the first offer and any importer who decided not to buy on the second offer would have got something for nothing—a principle abhorrent to the Russians in any field.

Exporters decided to solve its dilemma by resorting to what has always been a feature of its trading—quantity discounts. In normal times the smaller buyers grumble about these, but accept them as a fact of commercial life, but when the Russians probed the handful of large importers offering them more wood at first offer prices but at discounts for quantity, they were furious.

They would be put at a serious disadvantage if they were to be manoeuvred which they saw only as a rather unethical means of avoiding paying out under the clause.

The U.K. timber importing trade is not-just-in-itself nothing remains a secret for very long—certainly nothing of the size of the Russian deals and so it would be naive to suppose that Exporters thought it would get away undetected, rather they just under-estimated the strength of the reaction from the medium and smaller importers.

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the small and medium importers appreciate the gesture and reckon that amends have been made.

The ones that come off worse from the whole deal are the companies at the bottom and of the large category, their quantity discounts, a small part of the quantity and now the cap beneath them has been closed.

Bargain

Where does all this leave the market as a whole? We can say that the U.K. importers now have under 500,000 cu. metres left to buy this year and in spite of cut backs in production, there is plenty of softwood in the exporting countries.

The Scandinavians are now back from their summer holidays and are surveying large stocks at the mill. If their banks should insist that some of this would be turned into cash, then there may be some bargain offers in the next month or two, but 2-3 per cent, should be the extent of any fall.

On the U.K. re-sale market the housing picture is brighter and there are reports that roof trusses are in better demand. Importers' stocks are reducing and liquidity is improving. Timber trade chairman, Mr. J. H. Bramley, is permitting the encouraging sentence or two to emerge in their annual reports.

Good crop of dessert apples forecast

A GOOD crop of top quality Cox's Orange Pippins is expected when harvesting starts in three weeks, but the Bramley apple and pear crops will be smaller than last year.

The Ministry of Agriculture estimates the total crop of dessert apples will be about 230,000 tonnes, compared with 207,400 tons last year.

Bramley cooking apples are likely to be scarce and dear as the crop at 97,000 tons is 31,000 tons down, even on last year's poor harvest. The pear crop will be only 27,000 tons against 50,200 tons last year, the Ministry predicts.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Higher news on the London Metal Exchange, news that the Benguela Railway in Angola has been closed since last Sunday caused a fresh rise in values and prompted renewed speculative and industrial demand. A fair amount of speculation was also reported which resulted in values moving within narrow limits after the initial upward movement. Forward metal traded up to 2000 before closing at 1644 on the afternoon Kerm. Copper from both Zambia and Zaire are

WIREBARS
Cable 22.5-24.5-25.5-26.5-27.5-28.5-29.5-30.5-31.5-32.5-33.5-34.5-35.5-36.5-37.5-38.5-39.5-40.5-41.5-42.5-43.5-44.5-45.5-46.5-47.5-48.5-49.5-50.5-51.5-52.5-53.5-54.5-55.5-56.5-57.5-58.5-59.5-60.5-61.5-62.5-63.5-64.5-65.5-66.5-67.5-68.5-69.5-70.5-71.5-72.5-73.5-74.5-75.5-76.5-77.5-78.5-79.5-80.5-81.5-82.5-83.5-84.5-85.5-86.5-87.5-88.5-89.5-90.5-91.5-92.5-93.5-94.5-95.5-96.5-97.5-98.5-99.5-100.5-101.5-102.5-103.5-104.5-105.5-106.5-107.5-108.5-109.5-110.5-111.5-112.5-113.5-114.5-115.5-116.5-117.5-118.5-119.5-120.5-121.5-122.5-123.5-124.5-125.5-126.5-127.5-128.5-129.5-130.5-131.5-132.5-133.5-134.5-135.5-136.5-137.5-138.5-139.5-140.5-141.5-142.5-143.5-144.5-145.5-146.5-147.5-148.5-149.5-150.5-151.5-152.5-153.5-154.5-155.5-156.5-157.5-158.5-159.5-160.5-161.5-162.5-163.5-164.5-165.5-166.5-167.5-168.5-169.5-170.5-171.5-172.5-173.5-174.5-175.5-176.5-177.5-178.5-179.5-180.5-181.5-182.5-183.5-184.5-185.5-186.5-187.5-188.5-189.5-190.5-191.5-192.5-193.5-194.5-195.5-196.5-197.5-198.5-199.5-200.5-201.5-202.5-203.5-204.5-205.5-206.5-207.5-208.5-209.5-210.5-211.5-212.5-213.5-214.5-215.5-216.5-217.5-218.5-219.5-220.5-221.5-222.5-223.5-224.5-225.5-226.5-227.5-228.5-229.5-230.5-231.5-232.5-233.5-234.5-235.5-236.5-237.5-238.5-239.5-240.5-241.5-242.5-243.5-244.5-245.5-246.5-247.5-248.5-249.5-250.5-251.5-252.5-253.5-254.5-255.5-256.5-257.5-258.5-259.5-260.5-261.5-262.5-263.5-264.5-265.5-266.5-267.5-268.5-269.5-270.5-271.5-272.5-273.5-274.5-275.5-276.5-277.5-278.5-279.5-280.5-281.5-282.5-283.5-284.5-285.5-286.5-287.5-288.5-289.5-290.5-291.5-292.5-293.5-294.5-295.5-296.5-297.5-298.5-299.5-300.5-301.5-302.5-303.5-304.5-305.5-306.5-307.5-308.5-309.5-310.5-311.5-312.5-313.5-314.5-315.5-316.5-317.5-318.5-319.5-320.5-321.5-322.5-323.5-324.5-325.5-326.5-327.5-328.5-329.5-330.5-331.5-332.5-333.5-334.5-335.5-336.5-337.5-338.5-339.5-340.5-341.5-342.5-343.5-344.5-345.5-346.5-347.5-348.5-349.5-350.5-351.5-352.5-353.5-354.5-355.5-356.5-357.5-358.5-359.5-360.5-361.5-362.5-363.5-364.5-365.5-366.5-367.5-368.5-369.5-370.5-371.5-372.5-373.5-374.5-375.5-376.5-377.5-378.5-379.5-380.5-381.5-382.5-383.5-384.5-385.5-386.5-387.5-388.5-389.5-390.5-391.5-392.5-393.5-394.5-395.5-396.5-397.5-398.5-399.5-400.5-401.5-402.5-403.5-404.5-405.5-406.5-407.5-408.5-409.5-410.5-411.5-412.5-413.5-414.5-415.5-416.5-417.5-418.5-419.5-420.5-421.5-422.5-423.5-424.5-425.5-426.5-427.5-428.5-429.5-430.5-431.5-432.5-433.5-434.5-435.5-436.5-437.5-438.5-439.5-440.5-441.5-442.5-443.5-444.5-445.5-446.5-447.5-448.5-449.5-450.5-451.5-452.5-453.5-454.5-455.5-456.5-457.5-458.5-459.5-460.5-461.5-462.5-463.5-464.5-465.5-466.5-467.5-468.5-469.5-470.5-471.5-472.5-473.5-474.5-475.5-476.5-477.5-478.5-479.5-480.5-481.5-482.5-483.5-484.5-485.5-486.5-487.5-488.5-489.5-490.5-491.5-492.5-493.5-494.5-495.5-496.5-497.5-498.5-499.5-500.5-501.5-502.5-503.5-504.5-505.5-506.5-507.5-508.5-509.5-510.5-511.5-512.5-513.5-514.5-515.5-516.5-517.5-518.5-519.5-520.5-521.5-522.5-523.5-524.5-525.5-526.5-527.5-528.5-529.5-530.5-531.5-532.5-533.5-534.5-535.5-536.5-537.5-538.5-539.5-540.5-541.5-542.5-543.5-544.5-545.5-546.5-547.5-548.5-549.5-550.5-551.5-552.5-553.5-554.5-555.5-556.5-557.5-558.5-559.5-560.5-561.5-562.5-563.5-564.5-565.5-566.5-567.5-568.5-569.5-570.5-571.5-572.5-573.5-574.5-575.5-576.5-577.5-578.5-579.5-580.5-581.5-582.5-583.5-584.5-585.5-586.5-587.5-588.5-589.5-590.5-591.5-592.5-593.5-594.5-595.5-596.5-597.5-598.5-599.5-600.5-601.5-602.5-603.5-604.5-605.5-606.5-607.5-608.5-609.5-610.5-611.5-612.5-613.5-614.5-615.5-616.5-617.5-618.5-619.5-620.5-621.5-622.5-623.5-624.5-625.5-626.5-627.5-628.5-629.5-630.5-631.5-632.5-633.5-634.5-635.5-636.5-637.5-638.5-639.5-640.5-641.5-642.5-643.5-644.5-645.5-646.5-647.5-648.5-649.5-650.5-651.5-652.5-653.5-654.5-655.5-656.5-657.5-658.5-659.5-660.5-661.5-662.5-663.5-664.5-665.5-666.5-667.5-668.5-669.5-670.5-671.5-672.5-673.5-674.5-675.5-676.5-677.5-678.5-679.5-680.5-681.5-682.5-683.5-684.5-685.5-686.5-687.5-688.5-689.5-690.5-691.5-692.5-693.5-694.5-695.5-696.5-697.5-698.5-699.5-700.5-701.5-702.5-703.5-704.5-705.5-706.5-707.5-708.5-709.5-710.5-711.5-712.5-713.5-714.5-715.5-716.5-717.5-718.5-719.5-720.5-721.5-722.5-723.5-724.5-725.5-726.5-727.5-728.5-729.5-730.5-731.5-732.5-733.5-734.5-735.5-736.5-737.5-738.5-739.5-740.5-741.5-742.5-743.5-744.5-745.5-746.5-747.5-748.5-749.5-750.5-751.5-752.5-753.5-754.5-755.5-756.5-757.5-758.5-759.5-760.5-761.5-762.5-763.5-764.5-765.5-766.5-767.5-768.5-769.5-770.5-771.5-772.5-773.5-774.5-775.5-776.5-777.5-778.5-779.5-780.5-781.5-782.5-783.5-784.5-785.5-786.5-787.5-788.5-789.5-790.5-791.5-792.5-793.5-794.5-795.5-796.5-797.5-798.5-799.5-800.5-801.5-802.5-803.5-804.5-805.5-806.5-807.5-808.5-809.5-810.5-811.5-812.5-813.5-814.5-815.5-816.5-817.5-818.5-819.5-820.5-821.5-822.5-823.5-824.5-825.5-826.5-827.5-828.5-829.5-830.5-831.5-832.5-833.5-834.5-835.5-836.5-837.5-838.5-839.5-840.5-841.5-842.5-843.5-844.5-845.5-846.5-847.5-848.5-849.5-850.5-851.5-852.5-853.5-854.5-855.5-856.5-857.5-858.5-859.5-860.5-861.5-862.5-863.5-864.5-865.5-866.5-867.5-868.5-869.5-870.5-871.5-872.5-873.5-874.5-875.5-876.5-877.5-878.5-879.5-880.5-881.5-882.5-883.5-884.5-885.5-886.5-887.5-888.5-889.5-890.5-891.5-892.5-893.5-894.5-895.5-896.5-897.5-898.5-899.5-900.5-901.5-902.5-903.5-904.5-905.5-906.5-907.5-908.5-909.5-910.5-911.5-912.5-913.5-914.5-915.5-916.5-917.5-918.5-919.5-920.5-921.5-922.5-923.5-924.5-925.5-926.5-927.5-928.5-929.5-930.5-931.5-932.5-933.5-934.5-935.5-936.5-937.5-938.5-939.5-940.5-941.5-942.5-943.5-944.5-945.5-946.5-947.5-948.5-949.5-950.5-951.5-952.5-953.5-954.5-955.5-956.5-957.5-958.5-959.5-960.5-961.5-962.5-963.5-964.5-965.5-966.5-967.5-968.5-969.5-970.5-971.5-972.5-973.5-974.5-975.5-976.5-977.5-978.5-979.5-980.5-981.5-982.5-983.5-984.5-985.5-986.5-987.5-988.5-989.5-990.5-991.5-992.5-993.5-994.5-995.5-996.5-997.5-998.5-999.5-1000.5-1001.5-1002.5-1003.5-1004.5-1005.5-1006.5-1007.5-1008.5-1009.5-1010.5-1011.5-1012.5-1013.5-1014.5-1015.5-1016.5-1017.5-1018.5-1019.5-1020.5-1021.5-1022.5-1023.5-1024.5-1025.5-1026.5-1027.5-1028.5-1029.5-1030.5-1031.5-1032.5-1033.5-1034.5-1035.5-1036.5-1037.5-1038.5-1039.5-1040.5-1041.5-1042.5-1043.5-1044.5-1045.5-1046.5-1047.5-1048.5-1049.5-1050.5-1051.5-1052.5-1053.5-1054.5-1055.5-1056.5-1057.5-1058.5-1059.5-1060.5-1061.5-1062.5-1063.5-1064.5-1065.5-1066.5-1067.5-1068.5-1069.5-1070.5-1071.5-1072.5-1073.5-1074.5-1075.5-1076.5-1077.5-1078.5-1079.5-1080.5-1081.5-1082.5-1083.5-1084.5-1085.5-1086.5-1087.5-1088.5-1089.5-1090.5-1091.5-1092.5-1093.5-1094.5-1095.5-1096.5-1097.5-1098.5-1099.5-1100.5-1101.5-1102.5-1103.5-1104.5-1105.5-1106.5-1107.5-1108.5-1109.5-1110.5-1111

STOCK EXCHANGE REPORT

Equity leaders ease on mild bout of profit-taking
Index down 2.3 at 300.7—Tube Inv. a late good feature

Account Dealing Dates
Option
First Declared Last Account
Dealing Date Dealing Date
July 28 Aug. 7 Aug. 8 Aug. 19
Aug. 11 Aug. 20 Aug. 21 Sep. 2
Aug. 22 Sep. 4 Sep. 5 Sep. 16

New time dealings may take place from 9.30 a.m. two business days earlier.

With sentiment unsettled by the overnight setback on Wall Street, equity markets encountered a modest amount of profit-taking yesterday. Closing levels, however, were above the worst, and the FT 300 index, which recorded a loss of 2.3 at 3.00.7, ended only 2.3 down at 300.7. An encouraging statement on second-half prospects prompted a late jump of 14 to 302.3 in Tube Investments and a sympathetic improvement in GKN and was mainly responsible for the "after-hours" rally.

Fears of further increases in U.S. interest rates continued to overshadow British Funds, but there was very little selling in this sector and closing losses were limited to 1, after showing earlier losses to 1. The Government Securities index lost 0.24 to 60.60.

Gilts slip back

Overall it was another slack day's trading—official markings of 4.07 compared with 4.80 on Wednesday and 4.81 a week ago—and a fairly lengthy list of company trading statements produced little in the way of news. In the sector, oil shares were noteworthy for some fairly sharp falls following the overnight reaction on Wall Street. The FT Actuaries index for the sub-section gave up 2.4 per cent, to 282.45. Falls led rises by 2-1 in FT-quoted Industrials.

Modest losses in medium-long gilt-edged reflected dealers

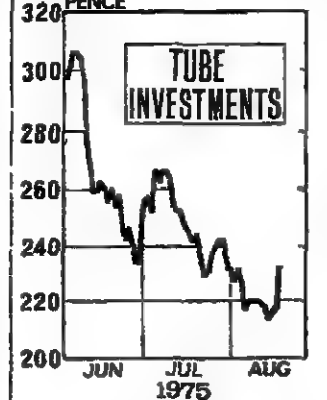
efforts to find a trading level of 8 were seen in Cater Ryder, 223p, and Gillett Bros. 153p. The shorts, too, gave ground as Alexander added 5 to 185p as did Smith St. Aubyn to 55p. The big four Banks lacked support and edged accordingly. Lloyds lost 5 to 193p and Midland gave up 2 to 243p as did National Westminster to 203p. In Merchant banks, Slater Walker ran back 3 to 60p following Press comment on the half-year results. UTL 17p, held steady awaiting today's preliminary results in Hire Purchases. Very little interest was shown in Breweries, which closed easier for choice. Allied, 62p and Arthur Guinness, 107p, both receded a

Interest was sufficiently well balanced in the investment currency market to keep rates around recent levels, thus the close was only 1 higher at 98.1 per cent, after having momentarily traded at 96.1 per cent. Yesterday's SE conversion factor was 0.8239 (0.8297).

"Royals" up again

Press comment on the first-half figures helped "Royals" to continue firmly and the shares hardened 2 more to 274p. Other Composites were generally quiet but Sun Alliance (interim due September 31) to continue firmly and the shares hardened 2 more to 274p. Other Composites were generally quiet but Sun Alliance (interim due September 31) to continue firmly and the shares hardened 2 more to 274p.

Encouraged by the recent firm performance of gilt-edged, Discount took a general turn for the better yesterday, after buying in a thin market (left gains that stretched to 10, Allen Harvey and Ross were that much better at 310p, while gains



up 2 at 58p and Fisons retreated 2 to 326p. F. W. Woolworth moved into the spotlight in Stores, hardening a penny to 47p in the course of a good turnover on the better-than-expected interim figures. Burton Group "A" was also a penny better at 39p, but "Guinness" "A", 164p, and Marks and Spencer, 50p, lost 2 apiece. British Home Stores were sold down to 339p, a loss of 6. Among consumer issues, Dixon's Photographic "A" put on 1 to 35p on the profits statement announced with the "rights" issue proposal. Satisfactory primary figures raised V. and E. Geller 2 to 20p, while Lee Cooper finished 3 to the good at 33p following the chairman's statement. Cornhill Dressed, however, closed a shade easier at 10p on the first-half profits release. V. and E. Geller 2 to 20p, while Lee Cooper finished 3 to the good at 33p following the chairman's statement.

Electrical leaders attracted very little business and adopted a downward drift before partially recovering later. GEC were finally 3 cheaper at 115p, after 87p. BICC 2 easier at 101p, and EMI a penny off at 176p, after 174p. Revolve Parsons shed 1 to 39p and Philips Lamp, on Amsterdam profits, edged 1 to 20p, while GEC, after 87p, shed 1 to 115p. The reassurance about second-half prospects, which were once considered very doubtful, provided the key for a strong late advance in Tube Investments, finally 14 higher at 302.3; the interim figures were exactly in

line with market expectations. Part of this strength spilled over into GKN, 2 up at 282p, after 280p. However, which regained an early loss of 4 to end unchanged on balance at 260p. Elsewhere, Weir moved up 2 to 33p on the large overseas contract and Peter Brotherhood, despite lower profits, gained 4 more in 57p. Press comment on a recent broker's circular caused Sealer to improve 1 to 151p, but Tom Martin closed 1 down at 41p, after initially reacting to 39p following news of the first-half setback.

Food moved into reverse. British Sugar reacted 7 to 220p, while Lockwoods, 30p, and Caracem, 128p, shed 3 apiece. Brockham, 25p, and J. J. Walker, 14p, fell 1 apiece. Squirrels moved up 1 to 41p, after 40p, to draw any strength from the increased interim dividend and higher first-half profits, closing a penny cheaper at 69p. Other dull spots included Freshlake, 1 off at 9p, and H. Vincent, 5 easier at 70p.

Central Mfg. retreat

Miscellaneous Industrial leaders slipped back further on a dribble of small sales, but ended a little above the day's worst with losses limited to 5, as in Glaxo, 33p, after 33p. Unilever, 36p, after 36p, and Reckitt and Colman, 22p, after 22p, shed 1 apiece. However, Pilkington shed 3 to 277p. Central Manufacturing retreated 3 to 11p, down at 34p, after 35p, as recent speculation were taken back by the company's bid for LCP instead of the latter's offer of 11p. On the other hand, advanced 7 to 53p, against the current value of the offer of 56p. The poor interim results left Associated Sprayers 3 down at a low for the year of 15p, while their respective half-time profit setbacks brought Oxford down 5 to 50p and Ferro Metal and Chemical back 2 to 50p. Among Overseas, Brokers Hill Proprietary receded 3 to 67p, reflecting the disappointing Australian Budget, but the South African Reserve Bank, still on the increased profits, improved 3 more to 283p.

After the recent speculative rise, British Leyland eased 2 to 32p. R. Stocks were marked down 10 to 10p on the first-half profits setback. Dealings were resumed yesterday in Fodens, the Ordinary closed at 10p and closed at 12p.

(against a pre-suspension price of 14p) following a good turnover, while the new 10 to 10p Convertible Redeemable Cumulative Preference opened and closed at 1p premium. The final report of the Prices Commission on Motor Fuel Reliefs failed to disturb cargoes. Raron Motor, still reflecting trading news, hardened a penny further to a 1975 peak of 32p.

Richard Clay were responsive to the impressive first-half results and closed 5 up at 25p. Paper/Printings were otherwise rare, although John Waddington "B" hardened 2 to 79p on a mid-week investment recommendation. Elsewhere, most improved annual figures gave Wilson Bros. a nudge forward to 14p, up 1.

Property leaders were inclined to follow Tuesday's pattern of easing a shade at first in thin trading, before picking up late on renewed buying interest. Land Securities finished 3 better on balance at 142p, after 139p, while the new 10 to 10p Convertible put on 2 points late to 53p premium. MBEF ended a penny better at 77p, after 75p, while Amalgamated Investment were finally unaltered at 28p, after 25p. Town and City Properties held steady at 17p awaiting to-morrow's annual results. British Land, however, edged 1 to 125p, following improvement on the preliminary statement, came back a penny to 17p on lack of interest. Elsewhere, Churchyard Estates held quiet at 7 to 125p on fading bid hopes. Bernard Sunley found support and moved up 7 to 132p.

Oil leaders react

A lull in the recent demand for the Oil leaders signalled a fairly swift reaction. British Petroleum, additionally, had to contend with Wall Street trends, which fell 12 to 50p, after 50p. Shell were also more freely offered and fell to 31p before a close of 31p, a net loss of 8, while Ultramar gave up 4 to 15p. The news of good first-half trading lifted Anglo-Ecuadorian 1 to 32p, and, despite the interim loss of 10p, Anglo-Persian Trading, which was apparently anticipated, 101. Petroleum Holdings edged 1 to 10p, after 9p, as recent speculation were taken back by the company's bid for LCP instead of the latter's offer of 11p. On the other hand, advanced 7 to 53p, against the current value of the offer of 56p. The poor interim results left Associated Sprayers 3 down at a low for the year of 15p, while their respective half-time profit setbacks brought Oxford down 5 to 50p and Ferro Metal and Chemical back 2 to 50p. Among Overseas, Brokers Hill Proprietary receded 3 to 67p, reflecting the disappointing Australian Budget, but the South African Reserve Bank, still on the increased profits, improved 3 more to 283p.

FINANCIAL TIMES STOCK INDICES

	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 12	Aug. 11	Aug. 10	Aug. 9	Aug. 8	Aug. 7	Aug. 6	Aug. 5	Aug. 4	Aug. 3	Aug. 2	Aug. 1	Aug. 31	Aug. 30	Aug. 29	Aug. 28	Aug. 27	Aug. 26	Aug. 25	Aug. 24	Aug. 23	Aug. 22	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug.
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INSURANCE. PROPERTY. BONDS

LEADERS AND LAGGARDS

INTERIM STATEMENT

INTERIM STATEMENT

Interim Dividend

Asset Values

All figures are unaudited.

OFFSHORE AND OVERSEAS FUNDS

NOTES

include \$ premium, where
are in peace unless otherwise
allow for all buying expenses.
ices include: all expenses,
s. a Yield based on offer price.
g Today's opening price.
free of U.K. taxes. x Offered
all expenses except agent's
Offered price includes all
bought through managers.
price. y Net of tax on realized
also indicated by e. y Gross
per cent. 2 Single currency

BRITISH FUNDS

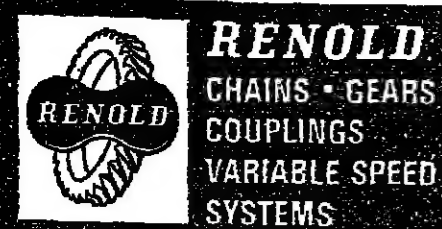
[illegible]

22	12	Bentonia	12	2	13.1	13.1
23	12	Berndorf	12	2	12.4	12.4
24	12	Berndorf	12	2	12.4	12.4
25	12	Berndorf	12	2	12.4	12.4
26	12	Berndorf	12	2	12.4	12.4
27	12	Berndorf	12	2	12.4	12.4
28	12	Berndorf	12	2	12.4	12.4
29	12	Berndorf	12	2	12.4	12.4
30	12	Berndorf	12	2	12.4	12.4
31	12	Berndorf	12	2	12.4	12.4
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Ulster party talks break up early

BY GILES MERRITT

FEARS arose yesterday that Ulster's vital inter-party talks on a new form of devolved Government were deadlocked, when the UUUC Loyalist coalition three-man negotiating team walked out of the meeting with the Catholic SDLP in a private Stormont committee room after only two hours of discussion.

But a joint UUUC-SDLP communiqué was hurriedly issued to emphasise that although the secret talks will not resume to-day as planned, a new Tuesday break had been designed to give both sides more time to examine their positions.

At first it seemed that despite the atmosphere of cautious optimism when the two sides met on Tuesday for what was to have been the first session in a three-day series, the negotiators had found that even with the new more flexible approaches claimed by both sides, they had failed to find common ground.

Earlier yesterday there was speculation that the two teams had agreed to disagree, and were on the point of preparing a joint document for the British Government listing those items they had found mutually acceptable

Cabinet

The UUUC-SDLP statement last night made it clear that negotiations now centre around the Loyalist proposals for a small Cabinet and beneath it, eight powerful executive committees. Despite the strict secrecy that has surrounded the talks so far, it has emerged that the UUUC has offered a system under which Loyalists, perhaps no more than three, would all the Cabinet and constitutional questions, but Catholics would exercise power on the committees. The idea is that of the eight

committees, three would be controlled by the SDLP, three by the UUUC coalition parties, one by the centrist Alliance Party and one by Mr. Brian Faulkner's moderate UPNI. The difficulty, of course, is in establishing how much power these executive committees would have.

The SDLP is known to be pressing hard for the status of the committees to be increased so that their chairmen would hold something approaching Cabinet rank.

The two sides are also, no doubt, discussing how the control of the committees concerned with such important factors as housing, education and industrial development, should be divided between the parties.

There is clearly a good deal to be discussed and it may be that provided the talks can be kept going, they could run for several weeks.

The break until next Tuesday's resumption is also intended to give the negotiating teams time to brief their parties and calm their more extremist backbenchers.

Their success in doing so will, of course, be half the battle. If agreement is ever to be reached

Chrysler offers Board seats to workers

BY ROY ROGERS, LABOUR CORRESPONDENT

CHRYSLER U.K. has offered its workers two seats on its main Board as part of wide-ranging proposals aimed at improving the company's poor industrial relations record, which contributed to a £17.7m. loss last year.

Shop stewards at one of the company's main Coventry plants have already spoken against the proposals, which include setting up joint committees at national and local level, introduction of company-wide pay negotiations, and an independent arbitration procedure.

Opposition to the proposals is centred at the Stoke, Coventry, engine works, where a mass meeting on August 21 will be held to reject them—largely, it is understood, because stewards feel they stand to lose much of their bargaining power if national negotiations are introduced.

At the nearby Ryton assembly factory, shop stewards appear more amenable to the suggestions, which will be considered at all plants by the end of the month. At Linwood, Scotland, of leading stewards representing all the company's 27,000 employees.

Chrysler workers have to accept the proposals in principle by the end of next week to qualify for an offer of lump-sum payments of £50 made earlier this year.

A further £50 is on offer to all if final agreement is reached by the end of the year. As these payments are part of this year's annual wage settlements, which have given increases of at least 5.5 a week, they are not expected to fall foul of the Government's pay policy.

The bare outline of the company's proposals, together with a profit-sharing scheme, was announced in May in an unsuccessful bid to prevent damaging industrial action by the Stoke engine plant workers in support of a demand for pay parity at all Chrysler factories.

Italy to ask IMF for \$940m. oil loan

BY ADRIAN DICKS

WASHINGTON, August 20.

ITALY IS to make a formal request to the International Monetary Fund on Friday for a drawing of 780m. Special Drawing Rights—worth of the Fund's 1975 oil facility—equal at present to about \$940m., it was learned today.

Last year Italy was the only major industrial country to avail itself of the facility, purchasing SDR 675m. as part of its overall SDR 1.9bn. stand-by package.

The year, the Italian Government has become the first major country to borrow from the oil facility since the Fund's executive Board relaxed its conditions of access at the end of last month in a little-modified decision.

The net result of this, in the Italian view, is that the oil facility now represents a considerably less daunting source of balance of payments assistance in political terms than it did last year, when the conditions set by IMF experts on the Government's access to the facility and to the Fund's regular stand-by arrangements provoked a political storm in Rome.

Up until the Italian loan—which will take effect formally about 10 days to two weeks after approval by the executive directors—six other countries had borrowed a total of just under SDR200m. from this year's facility. The total pledged by lenders stood at the end of last month at SDR2,572m., together with a further SDR450m. left over from last year. The Fund has set a target for the 1975 facility of SDR500.

THE FINANCIAL problems of Japan's independent oil refiners may force a series of mergers possibly resulting in the emergence of the first fully integrated Japanese oil "major".

Two medium-sized refining companies, Maruzen Oil and Daiichi Oil, are among the candidates for a merger, together with Mitsubishi Oil which is labouring under the financial burden of making good damage caused by leakage at its Mitsunishi refinery.

The vertical element in the merger, according to plans now under discussion in Tokyo, would be provided by the Arabian Oil Company, which produces oil from concessions in Kuwait and Saudi Arabia.

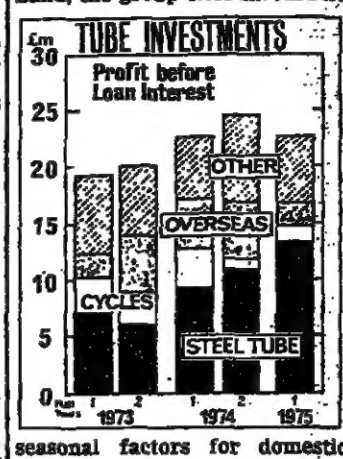
The background to the merger plans, which are under discussion between the Ministry of International Trade and Industry, the

THE LEX COLUMN

Tubes fights off the recession

Index fell 2.3 to 300.7

A second-half cloud was lifted from Tube Investments last night with an indication that profits should be held steady for a further six months; the shares jumped 14p to 232p. First-half profits, as expected, little changed at £19.2m. against £20.7m. pre-tax (after a drop of £0.8m. in profits on property sales) and the full year is now expected to produce around £38m. compared with £41m. for 1974. The steel tube division, mainstay of the first six months with a jump from £9.4m. in January-June 1974 to £13.3m. is now set to fall back on recessionary influences. On the other hand, the group cites favourable



seasonal factors for domestic appliances, and probably also for cycles and the recent Midland Aluminium acquisition, while it can hope to claw back something overseas—especially in Canada which was badly hit by a two-month strike.

It looks, nevertheless, as though Tubes is relying to a large extent on working off the heavy order backlog which had accumulated in parts of the tube division and other capital goods areas. Stock profits arising from last January's hefty steel price rise are apparently still cushioning the current half-year.

So 1975 continues to pose the threat of a significant further decline, and interest outgoings have continued to rise (though the rights issue will save £0.7m. interest in the current half-year). On a more positive note, however, some divisions appear to have adjusted to lower demand levels: cycle profits improved from the low level of last year's second half, even though turnover—let alone volume—was down. And the shares are solidly supported by a yield of over 11 per cent.

See also Page 17

Central/LCP
Central Manufacturing's bid

dities of dividend control for companies with a high cover has been highlighted again by Dixons Photographic's decision to take advantage of a rights issue to double its dividend. Shareholders are being asked to put up £773,000 and in return will receive an extra £255,000 net in the coming year. Of course, the issue is small—being equivalent to less than a tenth of the current capitalisation. Anyway, end of April net debt of £4.2m.—down by over £5m. during 1974-75—and share

holders' funds of £10m. together provide plenty of scope for the group's expansion plans on the Continent. Still, the group can point to a spectacular record in the 1970's—with the only hiccup in 1973-74—and profits are 14 per cent. up at £4.3m. pre-tax for 1974-75. For the current year, the overseas LCP is being offered a 45 per cent. share in the ultimate equity. Its published net worth is £15.2m., against £8.4m. for the year, and although its last published profits were considerably smaller than Central's, it just has the edge on the basis of average pre-tax profits per share over the past five years.

Central now plans to produce profits estimates for the year ending last month and—yours guessed it—a property revaluation. But if two companies cannot agree terms in an affair like this, they would probably be better advised to forget about it. See also Page 15

Store sales
The aftermath of the spring sales boom—already reflected in dull retail spending figures—is going to take some of the shine off post-April store results: at Woolworth, the rate of turnover growth slipped from 33 to 27 per cent. between the first two quarters. But with earlier wage increases working their way through the system, profits growth has accelerated, and the pre-tax total for the six months to the end of July is 12 per cent. higher at £11.7m. Since then, volume has fallen because of the warm weather, and looking ahead, the group's worries about a squeeze on disposable incomes are shown by its "relatively cautious view" of the full-year outcome. So it now looks as if most of the improvement forecast for 1975-76 has rowings are being kept steady, already come in the first half, but the Board is reserving its

But the dividend should be comfortably covered—and a which takes some of the historic yield of 11.7 per cent. at 45p. Meanwhile, one of the absurdities of the accounting complexities, the figures indicate that strength in the communications side, especially two-way radios, and overseas, particularly in Australia where colour TV is being introduced, has more than offset the U.K. consumer products downturn. The second half will probably not come up to the £6.44m. pre-tax level achieved last time, though more than £10m. is likely for the full year given some seasonal upturn in colour TV. Meantime, borrowings are being kept steady, already come in the first half, but the Board is reserving its position on the final dividend, comfortably covered—and a which takes some of the historic yield of 11.7 per cent. at 45p. See also Page 17

Continued from Page 1

Earnings

as the manual workers covered by wage rate statistics, should begin to drop back significantly in four or five months. By the middle of next year, excluding the impact of any variations in the general economic climate, the government hopes that the year-on-year rate of increase should be back to around the 10 per cent. mark in line with the official inflation target.

The July wage rate figures reflect a month when there were no individual settlements of major impact, but a number of smaller deals. The main significant rises involved workers in agriculture in England and Wales—the second stage of their January settlement—Post Office engineers, workers in the retail drapery, outfitting and footwear trades and in industrial and staff canteens.

These were partly offset by a small reduction in the minimum entitlements of workers in the coal mining industry, resulting from a drop in output in the second quarter which led to non-payment of the national production bonus.

The previous month's figure has been revised upwards by some 0.6 per cent. as a result of several small backdated settlements.

Guidelines

John Elliott writes: Yesterday's figures mark almost the end of the old wage round based on the TOC's pay guidelines which were yielding settlements over the year, including threshold payments, of around 30 per cent in many sectors.

From now on, however, the figures should start to drop as the impact of the 50 policy makes itself felt. But it will be some time before enough major national deals have been struck for there to be any dramatic change.

There are still some old-style deals to be fully reflected in the figures. The only bargaining now in progress is in comparatively small sections of the private sector. The major public sector round does not start till the late autumn.

TOM MARTIN METALS GROUP LIMITED

Interim Statement by the Chairman
Mr. Arthur Hubert, D.B.E., F.R.S.A.

Satisfactory First Half

The unaudited accounts for the 6 months to 30th June 1975, show the following results:

	1975	1974
6 months ended 30th June		
Turnover	£ 8,366,783	£ 11,193,105
Profit after all charges of Management and Depreciation	985,938	1,408,457
LESS Interest on Loan Stock	32,134	34,977
Net profit before Tax	953,804	1,373,480
Less Taxation at 62%	495,978	714,168
Net Profit after Tax	457,826	659,272
Dividends (Interim)	118,236	105,330

The Board has decided to declare an interim dividend of 7.6725% as compared with a dividend of 8.875% for the corresponding period of last year.

The Dividend will be paid on the 15th October 1975, to shareholders on the register at the close of business on the 15th September 1975. The Dividend will absorb £118,236. Directors owning 1,905,108 shares have decided to waive their dividends.

The Chairman states:-

"The merchandising divisions of the group have been trading very profitably. The tonnages processed have been well maintained, which is a remarkable achievement bearing in mind the state of the economy. The turnover declined due to reduced commodity prices.

The aluminium manufacturing divisions have suffered from the downturn in industrial demand during the second quarter of 1975, and this has resulted in reduction of profitability. It is anticipated that as and when the economic situation improves their profitability will increase rapidly.

We have substantially increased our exports in all our divisions, and our liquid position has been substantially strengthened since the 31st December 1974, with cash at bank now in excess of £1.5 million.

We are continuously investigating suitable projects which will fit in with our existing operations. In spite of the difficult conditions, I feel certain that results for 1975 will be most satisfactory, and it is the intention to increase the total dividends by the maximum permissible amount."

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Portuguese crisis persists

BY OUR FOREIGN STAFF

PORTUGAL'S 17-month post-revolution crisis is no nearer solution, in spite of last night's swearing-in of ministers for the country's fifth provisional Government.

President Costa Gomes, speaking at the swearing-in of Premier Vasco Gonçalves's secretaries of state, said the new Government's duration "can be expressed in days."

General Gonçalves—who only 17 days ago announced he was able to form a government—has been under severe pressure to resign—pressure from moderates in the Armed Forces Movement and from the nation's biggest political parties, the Socialists and the Popular Democrats.

General Gonçalves said that although he was not clinging to his post, those who were against him were in reality attacking the ideas of revolution and democracy that he defended.

The speeches were made at the private swearing-in at the Presidential Palace. Texts were released by the Ministry of Information.

The declining support for

The Communist decision to join last night's demonstration suggests that the party has decided to disassociate itself from General Gonçalves. Although he has not directly commented on the Carvalho plot, he has indirectly criticised it.

But, by joining the demonstration, the Communists appear to be compromising their own position since the Copcon plan, which envisages Portugal's being ruled by a "National Popular Assembly" made up of neighbourhood councils, would bypass the established political parties, including the Communists. The plan was very critical of Communists, blaming them for causing discontent and accusing them of trying to dominate the state apparatus.

Although the Communists gave only guarded support to the Copcon plan in their statement yesterday their action may make the plan more acceptable as a possible solution to the country's problems.

Discussion of the Left, Page 6
Editorial Comment, Page 12

Weather

U.K. TO-DAY
SUNNY spells in all districts, but showers in many places. London, E. Anglia, E. S. N. and Cent. England, E. and W. Midlands.

Sunny spells, mostly dry at first, isolated showers later. Wind W. veering N.W., moderate. Max. 21C (70F).

S.E. England, Channel Isles Cloudy early, perhaps rain, then sunny spells and isolated showers. Wind W. to N.W., mostly light. Max. 20C (68F).

S.W. England, S. Wales Sunny spells, showers at times. Wind W. veering N.W., moderate. Max. 18C (64F).

N. Wales, N.W. England, Lakes, 1. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland Showery, sunny intervals. Wind W. fresh, veering N.W., moderate. Max. 18C (64F).

E. England, Borders, Edinburgh and Dundee, Aberdeen, Moray Firth, Central Highlands Sunny spells, scattered showers, heavy later. Wind W. moderate or fresh. Max. 18C (64F).

N.E. and N.W. Scotland, Orkney Shetland Showers heavy at times but clearing bright intervals. Wind S.W., veering W. fresh. Max. 13C (55F).

Outlook: Sunny periods with showers, mainly in the N. and E. Lightning+ London 20.43, Manchester 20.57, Glasgow 21.12, Belfast 21.15.

BUSINESS CENTRES
Y-day mid-day Y-day mid-day
Amsterdam C 22 72 Luxembourg C 21 70
Athens S 22 70 Madrid P 20 38
Bahrain S 22 70 New York S 21 68
Barcelona S 22 70 Melbourne S 21 68
Buenos Aires S 22 70 Rio de Janeiro S 21 68
Calcutta S 22 70 Sao Paulo S 21 68
Cardiff S 22 70 Singapore S 21 68
Cebu S 22 70 Tokyo S 21 68
Colon S 22 70 Hong Kong S 21 68
Dhaka S 22 70 Kuala Lumpur S 21 68
Frankfurt S 22 70 London S 21 68
Geneva S 22 70 Manila S 21 68
Hankow S 22 70 Mexico City S 21 68
Harbin S 22 70 Ottawa S 21 68
Hong Kong S 22 70 Paris S 21 68
Kobe S 22 70 Rome S 21 68
Lahore S 22 70 Seoul S 21 68
London S 22 70 Shanghai S 21 68
Lyons S 22 70 Singapore S 21 68
Madrid S 22 70 Taipei S 21 68
Manila S 22 70 Toronto S 21 68
Medan S 22 70 Vancouver S 21 68
Mumbai S 22 70 Zurich S 21 68

Commission allows postal rises

By Harold Seltzer
Industrial Editor

THE PRICE COMMISSION has accepted the Post Office's case for an autumn round of price increases which will yield some £294m. in the current financial year. But a final decision has to be taken by the Government, probably later this week.

Although it is obviously concerned about the effect which the Post Office price rise will have on its efforts to counter inflation, the Government is expected to accept the commission's decision.

The Government has already made it clear that it is prepared only to compensate for a £70m. loss this year, whereas the prospective deficit without any increases would be at least £300m.

In this situation the Post Office will almost certainly be allowed to raise postal charges from September 29 and telephone and other telecommunication tariffs from October 1.

First-class letters would then cost 81p (a rise of 21 per cent.) and the second-class service 61p (up 18 per cent.), and parcel post rates would increase by an average of 30 per cent.

In addition, the minimum charge for a dialled telephone call would go up from 1.8p to 3p. Getting the system off the sleep, Page 12

Japanese may create new oil 'major'

BY CHARLES SMITH, FAR EAST EDITOR TOKYO, August 20.

THE FINANCIAL problems of Japan's independent oil refiners may force a series of mergers possibly resulting in the emergence of the first fully integrated Japanese oil "major".

Two medium-sized refining companies, Maruzen Oil and Daiichi Oil, are among the candidates for a merger, together with Mitsubishi Oil which is labouring under the financial burden of making good damage caused by leakage at its Mitsunishi refinery.

The vertical element in the merger, according to plans now under discussion in Tokyo, would be provided by the Arabian Oil Company, which produces oil from concessions in Kuwait and Saudi Arabia.

The background to the merger plans, which are under discussion between the Ministry of International Trade and Industry, the

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